Daily Report

Latin America

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FBIS-LAT-90-218 *9 November 1990*

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Menem, Collor Decline Invitation to Summit

PY0811212490 Madrid EFE in Spanish 1531 GMT 8 Nov 90

[Text] La Paz, 8 Nov (EFE)—Minister of the Presidency Gustavo Fernandez today reported that Argentina and Brazil will not attend the Andean Pact presidential summit scheduled for the end of November in La Paz. Fernandez told foreign correspondents that the decision not to attend the upcoming Andean Pact "summit" was made by Argentine President Carlos Menem, Brazilian President Fernando Collor de Mello, and Bolivian President Jaime Paz Zamora, who is hosting the meeting.

This was to have been the first time in the Andean Pact's 22-year history that the Argentine and Brazilian presidents attended the meetings with the five members of the Cartagena Agreement (Bolivia, Colombia, Ecuador, Peru, and Venezuela).

Fernandez explained that the main objective of the Fourth Andean Presidential Council is to establish mechanisms that will expedite Andean integration. He added that this will be the first step toward "the implementation of an integration strategy for Latin America and the Americas."

Latin America needs a consolidated Andean Pact to implement regional strategy in conjunction with the economic cooperation agreement that groups Brazil, Argentina, and other Southern Cone countries to be able to meet current world challenges.

Fernandez said: "We are witnessing the establishment of economic blocs such as the Asian and European blocs. Latin America needs to reassert its presence."

He added: "This is why we are interested in (George) Bush's initiative, which, although it safeguards U.S. interests, we also hope will safeguard Latin American interests." Fernandez also warned that an entry on the U.S. market is "very important, and this is why we must study the issue very carefully."

One of the most important issues to be studied by the five Andean presidents during their meetings scheduled for 28 and 29 November is a response to U.S. President George Bush's initiative. On 27 June George Bush proposed to Latin American countries the establishment of a free-trade zone in the Americas, an increase in investment, and a remission of the foreign debt.

The presidential summit will be preceded by a meeting of the Andean foreign ministers and another meeting of the Andean Businessmen's Confederation.

The other four heads of state have already confirmed their presence at the "summit" to President Paz Zamora.

Cuba

Fidel, Raul Castro Attend GOSR Reception

FL0811121790 Havana Tele Rebelde Network in Spanish 1200 GMT 8 Nov 90

[Text] Last night, Commander in Chief Fidel Castro attended the reception marking the 73d anniversary of the Great October Socialist Revolution [GOSR] held by Soviet Ambassador to Cuba Yuriy Petrov.

Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba [PCC] and first vice president of the Councils of State and Ministers, also attended the reception, along with members of the PCC Politburo, Secretariat, and Central Committee.

Soviet Ambassador Addresses Bilateral Relations

FL0811141890 Havana Tele Rebelde Network in Spanish 0135 GMT 8 Nov 90

[Speech by Soviet Ambassador Yuriy Petrov at a ceremony marking the 73d anniversary of the Soviet Revolution at the Universal Hall of the Revolutionary Armed Forces, FAR, in Havana on 5 November—recorded; in Russian, with superimposed Spanish translation]

[Text] Esteemed comrades of the Cuban leadership, esteemed representatives of the diplomatic corps, comrade ladies and gentlemen:

There are many events of momentous importance in the history of any people or state. There are some, however, that stand out because of their prominent role and their eternal significance throughout the years and even centuries. The year 1917, the year of the Great October Socialist Revolution, is a date that has that kind of particular importance for the Soviets. It has been universally recognized for some time that the Russian Revolution opened a new page in the history of mankind and transformed the achievement of socialist ideals from a theoretical task into practical action.

We Soviets have had to carry out that task in difficult, and at times extreme conditions. After the revolution, the country's economy was practically destroyed, first by the First World War, and later by intervention and the civil war. The premature death of the organizer of the Communist Party and of our state, Vladimir Ilich Lenin, also had an impact. Lenin had only just begun to draft the theory of socialist edification, adapted to Russia's specific conditions.

On the other hand, it is impossible to ignore the very complicated, and to a great extent, contradictory period from 1930 to 1950 that witnessed the tenacious efforts of the Soviets, who worked with dedication to transform the society on socialist bases, and the historic injustice committed against innocent persons who were oppressed in various ways. All of this influenced the final results. Despite this and other difficult conditions aggravated by external factors as adverse as the colossal human and material losses sustained in the great patriotic war, we the Soviets still achieved many things. In the course of seven decades, our country was able to become a state with a great intellectual, economic, and military potential. All this is evidence of the vigor and vitality of the socialist system itself, whose main slogan is: everything for mankind, and for the good of mankind.

At the same time, those years also demonstrated, in a very convincing manner, that it is not enough to have attractive goals. The essential thing is to know how to achieve the chosen goals: By acting consistently and tenaciously, having the support of theory and experience, and carefully taking the real conditions into account.

Regrettably, by the late 1970's, our country's economic growth rate, and consequently the rate of increased well-being of our people, had begun to decline noticeably. In addition to unfavorable external factors, such as the abrupt decline in the price of oil and other exports, and the unceasing arms race, internal factors began to exert an increasingly negative influence. The system of government established in the conditions of an immense country, considering the level achieved in the development of its productive forces, became increasingly unable to raise the efficiency of the national economy. At the same time, many problems had accumulated in the political structures of the society, and the inter-ethnic problems had become more acute. All of this made it necessary to take immediate, practical measures to radically reform the entire sphere of social life. It was the CPSU and its Central Committee that initiated and are carrying out the new direction. In essence, we have been reassuming, since the 1980's, the legitimately Leninist theoretical legacy, and the watchwords and tasks of the great October. While pursuing this course, however, we are taking into account our achievements and experiences.

Today, an in-depth transformation of the economic and political structures, and the psychology of man, is underway in our country. Things that up to a short time ago seemed to be irrefutable truths are being revised. A process is underway to seek new methods and forms of activity adapted to present conditions.

The CPSU has practically renounced administrative functions, transferring them to organs of the people's government elected by means of a more democratic system. A large part of decisions that were formerly made at the central level are being transferred to the organs of power at the republic and regional levels. This greatly modifies the role and responsibility of the local soviets in the solution of the socioeconomic problems of their territories. A new federative treaty that is being drafted should serve as a solid base for the future development of our multinational state.

Corrections have recently been made in the social direction of the Soviet economy, steering it increasingly toward mankind and its needs. For the first time, the (?demand for) high consumption articles has begun to

develop more dynamically than they can be met by the means of production. There has been an increasing in-depth conversion of the defense industry, to make it subordinate to the increased production of items for the people. More schools, daycare centers, polyclinics, clubs, cultural centers, and commercial establishments have been built. The level of housing construction has been increased.

At the same time, we cannot fail to state that in the course of these reforms, the country has faced very complicated problems that have recently become more acute. First, this has to do with the supply of foodstuffs and staple items to the people. It has not been possible to stabilize the country's economy and finances. Crimes and profiteering have increased in many regions, interethnic problems have been aggravated, to the point of direct clashes. The causes of this situation are diverse. The conflicts in a period of transition are always complex and difficult to control. It is as if the past and the future came together in a complicated knot of interests, political ambitions, and objective and subjective factors.

In addition to this, there are people in the USSR and abroad who, taking advantage of the wave of democratization and glasnost, and often without opposition, are trying to portray the period of history in our country after the great October as a continuous chain of errors and even crimes. There are increased attacks on the Marxist-Leninist theory, the figure of Lenin himself, and the CPSU. Some media are publishing all kinds of lies about our country's political ideology and foreign policy. Some of those publications could be considered an attempt to interfere in the internal affairs of sovereign states.

There are also articles of this type about Cuba. In this regard, I must declare firmly and with full responsibility that the authors of such articles in no way express the feelings of the Soviet people or the position of the Soviet president or government. In April of last year, here in Cuba, Mikhail Gorbachev said: Our solidarity toward you, dear comrades, is not subject to circumstantial fluctuations. We are prepared to continue developing Soviet-Cuban relations in the future, and there are broad possibilities for achieving this. Allow me to assure you, from this platform, that this is the way it has been, and the way it will continue to be. [applause]

The situation in our country is very difficult, but it can undoubtedly be overcome. The CPSU and the Soviet people have the political determination to preserve the achievements of the Great October, and the perseverance to build a society that is socialist and truly humane. Today, primary relevance has been given to the task of consolidating all the progressive forces of society so that they can jointly resist the different extremist and nationalist groups. That process is becoming stronger. Through open discussions and the confrontation of opinions, a search is under way to find optimum solutions that will determine our country's final future. In this regard, a very careful study is being made of the experience of our republics, as well as that of the various states in the world.

We will also be able to depend in the future on a broad exchange of achievements, and the understanding and support of our friends and of all those who are sincerely interested in the peaceful development of the Soviet state. The CPSU, which resolutely embarked upon the path of its own renovation, is taking the new circumstances into account. The party policy as regards all aspects of the life of the Soviet society was recorded in the agreements of the 28th Congress and the last plenary meeting of the CPSU Central Committee held in October. Those agreements firmly underline loyalty to our history, the socialist option, and the communist perspective. Today, on the eve of the 73d anniversary of the Great October, we are trying once again to understand, with full responsibility, the essence of the road that has been covered, extending the deserved tribute to the fallen and to those who worked honestly and lived for the glory of our state.

Comrades: The struggle to preserve and strengthen peace and to develop cooperation among states has always been, and continues to be the primary goal of Soviet foreign policy. One can see with satisfaction that this direction—renovation and the new mentality—have had positive results. The cold war has been left in the past. In the course of it, not only were mountains of weapons collected, weapons capable of destroying all life on earth several times over and even of poisoning outer space; in addition, obstacles that seemed insurmountable were placed between peoples, obstacles such as alienation, mistrust, and fear.

Fortunately, all that is now being left behind. A collective effort resolved peacefully, and in general to everyone's satisfaction, the very complex problem of the unification of the two German states, the leaders of which have solemnly declared that only peace will emanate from German soil.

A certain amount of progress has been made in settling the situation in Cambodia, Afghanistan, and Central America. We are certain that in the near future, very important documents will be signed on the reduction of troops and conventional weapons in Europe, and before the end of the year, on the 50 percent reduction of the offensive strategic weapons of the USSR and the United States.

One of the most important results of the past period, however, is the increasing change from confrontation to cooperation and increasing trust among states. Perhaps for the first time in the past decade, a real possibility has emerged to unite the efforts of the entire world community in resolving the tasks of development, particularly in the ecological, economic, and humanitarian spheres. At the same time, premises are being established for

increasingly favorable development of cooperation not only between East and West, but also between North and South.

Today, disarmament for development is not just a slogan, but an imperious demand of the times, and the USSR is prepared to participate actively in the practical realization of it in conjunction with all countries and peoples. We the Soviets are proud that our country has also made, by general perception, a contribution to international detente and the creation of a new world order, and that Soviet President Mikhail Gorbachev was recently awarded the Nobel Peace Prize. Allow me once again to express gratitude to all our friends who congratulated us on that event or sent their congratulations directly to Moscow. We are not overrating our accomplishments, because we understand very well that progress in international affairs can only be the consequence of joint efforts of peoples, governments, and politicians, and of at least a majority of countries. Now, the principal thing is to strengthen and develop the peace efforts to make detente irreversible. This is not easy, however. The psychology of force has not been left totally in the past, and can still be seen. The latest example of this is the Iraqi aggression against the sovereign state of Kuwait. For this reason, the USSR, despite its traditionally good relations with Iraq, unequivocally condemned its actions as aggressive. Similarly, it supported and will continue to support efforts by the United Nations and the world community to resolve that conflict, above all, by peaceful means.

Comrades, this year the peoples of our countries solemnly celebrate the 30th anniversary of the reestablishment of diplomatic relations between us. Compared even with the age of a 30-year-old person, it is a very brief time. Nevertheless, I believe that any objective observer will reach the conclusion that, thanks to the efforts of the Cuban people, guided by the Communist Party of Cuba [PCC], many truly good things have been done and are still being done. The Soviets, and all sincere friends of Cuba point with satisfaction to its achievements in socialist edification.

At the same time, it is also obvious that not all the problems have been solved. There are no few difficulties, the resolving of which require considerable effort. You may be sure that the Soviets will always be with you. Thousands of ties that link our countries in all spheres of human activity were strengthened by the treaty of friendship and cooperation signed by Comrades Mikhail Gorbachev and Fidel Castro last year, and are the guarantors of that treaty.

The treaty does not only reflect what has been achieved; it is also directed toward the future, creating premises to raise our relations to a qualitatively new level, in accordance with the demands of the times. The past years have been characterized by a dynamic and fruitful interaction of our peoples in the area of foreign policy, which made it possible to test our viewpoints, coordinate our measures, and establish guidelines for joint action in key issues of international politics. The fact that the Soviet and Cuban peoples, both in happy and difficult times, have always been together and will always need each other, is a characteristic trait of our relations. Soviets will always preserve in their hearts the memory of how thousands of Cubans donated blood for those injured in the earthquake in Armenia, and of how their doctors and medicines were sent to the USSR after the Bashkiria catastrophe to treat burns. We are grateful to you for your solidarity and aid in having arranged for treatment and rest for thousands of children from Chernobyl, as well as for seriously injured internationalist fighters from Afghanistan.

We the Soviets realize the serious difficulties that the Cuban people have had to face in recent times. We are also aware of the gigantic efforts that are carried out here under the leadership of the PCC, and personally by Comrade Fidel Castro, to overcome those difficulties. We believe that in the process of rectification and preparation for the next party congress, new ways will be found to increase the efficiency of the national economy. Your country has qualified cadres and the economic potential to achieve this. You have the firmness and resolution to develop and to defend the ideas of Jose Marti and of socialism. Allow me to assure you, dear comrades, that the USSR, true to its internationalist duty, will also aspire in the future to give the Cuban people its maximum support and aid in their difficult struggle for a better life and for their sovereign right to determine their own future.

Allow me to wish the Cuban people success in the construction of socialism and in their preparations for the PCC Fourth Congress. I wish you peace, happiness, and well-being.

Viva the 73d annivesary of the Great October Socialist Revolution. [people shout: "Viva"] Viva Soviet-Cuban friendship. [people shout: "Viva"] Thank you very much. [applause]

CSFR Ambassador on Policy Toward Havana

AU0611204390 Prague HOSPODARSKE NOVINY in Czech 2 Nov 90 p 4

[CTK report: "Apropos Attitudes Toward Cuba"]

[Text] "Respecting the actual situation and maintaining relations are two of the principles I will be guided by while carrying out my diplomatic function in Cuba." Jaroslav Balaz, the new CSFR ambassador extraordinary and plenipotentiary to Cuba, made this statement in an interview with CTK reporter O. Kasina. "My arrival in Havana may be perceived as the logical outcome of normal—in no way normalized—Czechoslovak foreign policy," he continued.

He pointed out that specific realities of life exist in both countries. If either country made the mistake of not respecting these facts, it would be impossible to develop or improve any aspect of mutual relations. Of course,

this does not mean that we cannot air our views on the political development and ideological situation in Cuba. In reply to a question about the public's knowledge of development in Cuba, he said that he does not consider the level of knowledge to be good. "In my opinion, it would be beneficial if Czechoslovak journalists wrote more about the actual situation in Cuba. Understandably, we do not want to cover up existing problems and shortcomings—this would be amount to duplicating the past. Real Cuban life, however, deserves greater publicity; furthermore, it is necessary to write seriously about the possibilities for cooperation, especially in the economic sphere."

Costa Rican Politician Protests U.S. Policy

PA0811175290 Havana International Service in Spanish 1400 GMT 7 Nov 90

[Text] Arnoldo Ferreto, former parliament member and leader of the Popular Vanguard Party in Costa Rica, has strongly protested attempts by the United States to turn his country into what he called a stronghold against the Cuban revolution. Washington is supporting a group of traitors with the intention of creating the appropriate atmosphere for a military aggression and stepping up the blockade against the Caribbean island and the most serious thing is that it has tried to use Costa Rica for this campaign, Ferreto reported.

The former parliament leader referred to the campaign being waged in his country by Ricardo Bofill and Rene Diaz, whom he described as Cuban traitors, who are seeking support—they claim—to politically, economically, and diplomatically strangle the Cuban Government. Their position coincides with the United States' renewed efforts to increase the blockade against the Caribbean island after the U.S. Congress approved a bill forbidding U.S. companies' subsidiaries from trading with Cuba.

Minrex Issues Statement Condemning Israel

FL0911015890 Havana Television Service in Spanish 0112 GMT 9 Nov 90

[Text] The Foreign Ministry [Minrex] of Cuba has issued a statement on the increase of Israel's repressive actions in the occupied Gaza Strip which has caused several deaths and wounded among the Palestinian population. The Minrex notes that the urgent need to find a solution to the Middle East conflict are confirmed by those criminal acts and the insolent rejection of the Israeli Government of the UN report on the killing of Palestinians in Jerusalem last 8 October and the measures proposed by the world organization for the protection of the civilian population.

The Minrex statement calls for the end of the illegal Israeli occupation of the Arab and Palestinian territories and that the right of the Palestinian people for self-determination, to return to the fatherland, and to establish an independent state be recognized. The statement also highlights the Palestinians' dramatic situation and the brutality to which they are subjected to by the Zionist authorities who ignore the reiterated calls by the international community to end those criminal acts.

The Minrex makes a new call to the international community to denounce this intolerable situation and that the appropriate measures are adopted so that the Zionist barbarity ends in the Palestinian land and that the legitimate rights of that heroic people to exist as free and independent nation are recognized.

Castro Converses With Mexico-Bound Athletes

FL0811140890 Havana Television Service in Spanish 0100 GMT 8 Nov 90

[Excerpts] Commander in Chief Fidel Castro this afternoon presented the banner to the Cuban team that will attend the 16th Central American and Caribbean Games begining 20 November in Mexico City. World fencing champion Taimi Chappe read the document swearing in the athletes and Raul Castellanos Lage, alternate member of the Central Committee of the Communist Party of Cuba and chief of the Science, Education, and Sports Department, spoke at the solemn ceremony. [passage omitted]

[Begin recording] [Unidentified athlete] The four big teams will be at the championship games in Japan.

[Castro] When is the championship?

[Athlete] It is on 17 November [corrects himself] on the 16th in Osaka.

[Castro] Right there? Do you leave tomorrow, 8 November?

[Athlete] We leave Sunday.

[Castro] When do you practice?

[Athlete] We are practicing now.

[Castro] When do you practice there?

[Athlete] We practice for three days there.

[Castro] You don't have to practice there?

[Athlete] Yes, we do.

[Castro] How many are going to be.... [changes thought] Who will be there—the United States, the USSR, Italy, and Cuba? Who is going?

[Athlete] Italy, the USSR, Japan, and Cuba will be there.

[Castro] Japan and Cuba. There will be four countries there. Do not get discouraged by anything there. Win right from the start. Make it to the end.

[Athlete] We will start right away.

[Castro, chuckling] Huh?

[Athlete] We will start right away. We will play against Italy.

[Castro] I will give you one more idea, a short one. You must use—it seems to me, as an observer—[words indistinct]. You are preparing yourselves. I can see that a lot of damage was done by the (?short ones). You caught them here and there.

[Athlete] They were better than we were.

[Castro] Do you understand? They made them a lot shorter. I saw it. It was a little [word indistinct] although we resisted and resisted. We resisted very well. That was the important point, besides the point they stole from us.

The girls did well, did they not?

[Athlete] Yes.

[Castro] We have to do the same thing there. [Words indistinct] There is less oxygen there.

[Athlete] But we will be playing in Monterrey which is low altitude.

[Castro] Oh, it is low in Monterrey? What is the altitude there? Will all the games be played there?

[Athlete] Yes, all the games will be in Monterrey.

[Castro] Will the games be broadcast or what? Are we out of money for television coverage? What will happen? Will they cooperate with us in exchange for our cooperation later? We can continue it here.

[Athlete] Television coverage will be available. The Mexicans have not yet said how many baseball games or boxing matches will be broadcast.

[Castro] We have to see something, right?

[Athlete] It will be broadcast. We do not know the number of games that will be broadcast. Radio Rebelde will be there.

[Castro] I am very glad that Radio Rebelde will be there.

[Athlete] Some games will be broadcast by television.

[Castro] What about satellite problems, the cost?

[Athlete] No, no, no, it seems to be a problem of....

[Castro, interrupting] It is their own problem?

[Athlete] Yes. The problem is with the coverage they have given Central American television.

[Castro] What do you think of the Pan American Games installations? Tell them there that they should not have any doubts that we will finish the buildings in time for the games, not like the building for the ball games. I think we finished those three days early.

[Athlete] A great effort was made in that work.

[Castro] Yes, a great effort was made. Well, gentlemen, I wish you great success. Good luck. [end recording]

Escalona Briefs Christian Democratic Delegation

FL0911021890 Havana Radio Rebelde Network in Spanish 0000 GMT 9 Nov 90

[Text] Juan Escalona Reguera, president of the National Assembly of the People's Government [ANPP], has received a delegation of the International Union of Young Christian Democrats headed by its Executive Secretary (Christian Cousine). During the meeting, held in a cordial and friendly atmosphere, the visitors were given a broad explanation of the Cuban electoral system, the functioning of the parliament, and the ANPP organizations. Views regarding the economic, political, and social situation in Latin America were also exchanged.

Bahamas

Cuba Said To Be Major Competition in Tourism

FL0811192090 Bridgetown CANA in English 1823 GMT 8 Nov 90

[Text] Nassau, Bahamas, Nov 8, CANA—Bahamians will face increased economic hardships, a decline in the key economic indicators, and possibly a recession, Phillip Galanis, president of the Bahamas Institute of Chartered Accountants, has warned.

In an address to the ruling Progressive Liberal Party convention at Carnivrl's Riviera Towers in Nassau this week, Galanis said that the tourist industry, the main engine which drives the Bahamian economy, is not only ailing, it is in critical condition. Galanis predicted that Cuba will probably become the Bahamas' major Caribbean competitor in tourism during the 1990's. The increase in cruise ship vacations throughout the Caribbean will also fiercely compete against Bahamian tourism, he said.

"For a country which earns 90 per cent of its foreign exchange from this (tourist) industry, we must do better," he suggested.

The effects of the economic recession of 1990 have already started in the United States and Canada and that is not good news for the Bahamas, Galanis remarked. It means that Americans and Canadians, the primary source of the Bahamas' tourist industry, will face higher taxes, fewer jobs, increased government debt, less disposable income, fewer loans, and higher interests rates, he calculated.

The key to growth for the 90's will be to aggressively pursue those activities in tourism that generate substantial foreign exchange, Galanis suggested. He advocated that tourism products, such as locally made souvenirs, towels, washcloths, and bathrobes for Bahamian hotels should be expanded by developing a new cottage industry.

Haiti

CEP Assigns Ballot Numbers to 14 Candidates

FL0811205390 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Nov 90

[Text] The Provisional Electoral Council [CEP] met Wednesday, 7 November at 1330 with the 14 accepted presidential candidates to discuss security matters and ballot processing. The CEP issued a press release providing more details on the matter.

During this meeting, discussions were held on the quality and format of the chosen ballots before numbers were randomly issued to each presidential candidate. This number together with a picture and the party's logo will help identify each presidential candidate. The numbers were assigned as follows:

1. Thomas Desulme, National Party of Labor [PNT]

2. Fritz Simon, independent

3. Marc L. Bazin, National Alliance for Progress and Democracy [ANDP]

4. Rene Theodore, National Reconciliation Movement [MRN]

5. Jean-Bertrand Aristide, National Front for Change and Democracy [FNCD]

6. Francois Magloire, Party of Haitian Patriots [PPH]

7. Richard Vladimir Jeanty, Haitian Party of God [Paradis]

8. Francois Latortue, Democratic Revolutionary Party of Haiti

[MODEL PRDH]

9. Jean Arnold Dumas, National Party for the Defense of the Workers [PNDT]

10. Silvio Claude, Haitian Christian Democratic Party [PDCH]

11. Hubert de Ronceray, Mobilization for National Development [MDN]

12. Volvick Remy Joseph, National Cooperative Action Movement [MKN]

14. [as heard] Louis Dejoie II, National Agricultural and Industrial Party [PAIN]

15. [as heard] Jean Francisque, FMR [expansion unknown]

Lafontant Ignores CEP, Presses Candidacy

FL0811150090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 7 Nov 90

[Report on a news conference by Dr. Roger Lafontant, former interior minister under Jean Claude-Duvalier and presidential candidate of the URN, with unidentified reporters at the Port-au-Prince Holiday Inn Hotel on 6 November]

[Excerpts] Dr. Roger Lafontant, leader of the Union for National Reconciliation [URN] and former head of the Ton Ton Macoutes was first to react to the Provisional Electoral Council's [CEP] list of disqualified presidential candidates. During a news conference held yesterday at the Holiday Inn Hotel, he said the CEP's reasons for rejecting his candidacy are without foundation.

Lafontant accused the CEP of lying, and said he deposited his birth certificate at the West Departmental Electoral Bureau [BED] where he went to make the candidacy depositions. [passage omitted] Lafontant said he does not know what happened in the kitchen of the Superior Court of Accounts and Administrative Accounts [CSCCA] and the CEP and the reason why his candidacy was rejected.

[Begin Lafontant recording, in French] Contrary to what is stated in the CEP communique published in the press on Monday, 5 November detailing the presidential candidates whose dossiers are not complete according to Articles 70 and 70.1, Dr. Roger Lafontant's birth certificate was deposited at the West BED and received, in the presence of his lawyer, by the president of this BED, Daniel Bernier. Here is the receipt of delivery to that effect.

As for the discharge [form certifying fiscal clearance for former government officials], it was routinely sent by letter to the head of the executive, Mrs. Ertha Trouillot who forwarded it- in accordance with the law—to the CSCCA which is the only institution empowered to reach a verdict on the management of the accountants of public coffers. After auditing Dr. Roger Lafontant's accountings, the CSCCA put forward its favorable opinion in a report sent to the provisional president of the Republic who confirmed the CSCCA's decision in a written note to the CEP. [end recording]

Dr. Roger Lafontant admitted that he did not personally give the discharge documents to the CEP, but he said that he is pleased that Article 291 of the Constitution [banning Macoutes from holding public or elective functions for ten years] is not mentioned as a reason for the CEP rejecting his candidacy. The URN leader said he is going to use all the means provided by law to succeed in making the CEP admit that its decision is null and void.

Roger Lafontant stated: I still maintain my presidential candidacy. He asked his partisans to remain mobilized. The former interior minister reiterated his firm determination to continue the struggle to safeguard the conquests of 1804, 1946, and 1957 until he reaches his purpose. [passage omitted]

CEP President Answers Lafontant

FL0811154590 Port-au-Prince Radio Metropole in French 1700 GMT 7 Nov 90

[Text] According to Provisional Electoral Council [CEP] President Jean-Robert Sabalat, Roger Lafontant deposited an identity card at the West Departmental Electoral Bureau. A CEP press release had previously specified that identity cards could not be used in place of birth certificates.

According to Dr. Lafontant's statement, the Audit Office gave its approval regarding the fiscal clearance in a report addressed to the president of the Republic, who in turn, in a written note to the CEP, supposedly ratified the Court decision. Jean-Robert Sabalat, after confirming that no letter was received from President Ertha Pascal Trouillot, asks why a letter of clearance for Lafontant to the CEP would come from Mrs. Trouillot and not from the person involved. The CEP president also points out that President Trouillot did not do so for any other presidential candidates. Mr. Sabalat thinks that Mrs. Trouillot should clarify the matter as her name was mentioned by Roger Lafontant.

Charles Contests CEP Disqualification

FL0811201590 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Nov 90

[Text] The leader of the Alliance for the Rebirth of Haiti [ARH], Clemard Joseph Charles, is among the other leaders who contest the Provisional Electoral Council [CEP] decision. In an ARH press release, the party provides a number of explanations which are not convincing; and declares null and void any and all arbitrary decisions the CEP might take. It asks the CEP to immediately reverse its decision to reject the candidacy of the ARH leader, Dr. Clemard Joseph Charles.

Peasant Movement Outlines Position on Elections

FL0811174590 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 6 Nov 90

[Excerpts] The Papaye Peasants Movement [MPP] in the Plateau Central, after strongly criticizing the organization of the elections, is now supporting Aristide's candidacy. The electoral process is moving along but will elections be held? No one knows. Will the elections be free and honest?

The MPP notes all the irregularities in the different Bureaus for Registration and Vote [BIV's]—buying of lists; registration with no identification card; registration of minors; and other practices. We see that Duvalierist practices are still confusing peasants, taking them in cars with promises of money, promises not always kept. We also note people involved in crooked dealings are using MPP's name for propaganda on behalf of country-sellers candidates. [passage omitted]

The MPP declares that the Communal Electoral Bureaus [BEC's] did not use good judgement in selecting BIV's members. Above all, filling up the electoral lists to collect money as quickly as possible, was a big mistake. Steps should have been taken to prevent the crooked dealings that took place during registration operations.

MPP reaffirms that it is not in an alliance with any other political organization. MPP has always sought a larger front instead. Even though such a front was never realized, as MPP wished it, there is still one coming from Aristide's candidacy. In order for such a front to be large, MPP asks that all political organizations wishing to block the macoutes and the country-sellers, to join Aristide and the National Front for Democracy and Change so that the macoutes can be stalled by such an avalanche.

MPP is still demanding justice and security to participate in the 16 December elections. The Army as well as the government must assume their responsibilities in applying the law. MPP is also asking its members to remain alert, and not allow themselves to be brainwashed by candidates with false promises. Its members, together with all poor peasants, should keep their eyes open and be organized to remain mobilized so that their goals be attained during the forthcoming changing process whether elections are held or not. It is only through organization, not these elections, that the miracle of change will occur. Elections, in the current situation, can provide little improvement but will afford the space for the fight for change; therefore the struggle continues. Organization or death.

Signed for the MPP: Clerius Ethienor, Mrs. Christiane Rosier, and Chavanne Jean-Baptiste, leader of MPP. [passage omitted]

Daniel Ortega Meets President, Asks for Aid

PA0911032690 Mexico City NOTIMEX in Spanish 2329 GMT 7 Nov 90

[Text] Mexico City, 7 Nov (NOTIMEX)—On behalf of the current Nicaraguan Government and the Sandinist Front, former Nicaraguan President Daniel Ortega today asked Mexico for help in solving Nicaragua's economic crisis.

At the end of an over 90-minute meeting with President Carlos Salinas de Gortari, Ortega Saavedra said that the Mexican president expressed his willingness to help attain economic stability in Nicaragua.

The Sandinist leader said that President Salinas de Gortari indicated that the possibility of refinancing the Nicaraguan debt, which amounts to approximately $1 billion, including interest, will be analyzed.

Ortega also spoke of the political situation in his country, stating that at the end of October, the government of President Violeta Barrios and the Sandinist Front signed an agreement for the nation's well-being.

That agreement, he explained, reflects the willingness of the Nicaraguan Government and the Sandinist Front to find solutions.

That is why both the government and the Sandinist Front also signed the message delivered to President Salinas de Gortari today.

He indicated that despite Sandinist support for the Barrios government, "there are extremist right-wing groups led by Vice President Virgilio Godoy that seek to stage a coup d'etat."

He warned, nevertheless, "this is a provocation that will not become a reality because the people will not permit it."

Daniel Ortega also reported that he and President Salinas discussed the Persian Gulf crisis, adding that they are both concerned that the crisis will turn into a war.

Guatemala

Carpio Leads Poll Heading Into Election

PA0911011990 Guatemala City PRENSA LIBRE in Spanish 8 Nov 90 pp 4, 67

[Text] According to the results of a poll released on 7 November, Jorge Carpio Nicolle of the UCN [Union of National Center] is the virtual winner in the first round elections with 29 percent of the votes, while Alvaro Arzu Irigoyen of the PAN [Popular Vanguard Party] and Jorge Serrano Elias of the MAS [Solidarity Action Movement] are close challengers for second place. The poll was conducted by Alberto de Aragon at the request of the Free Enterprise Chamber.

Local political observers have expressed surprise over the fight for second place. There is no doubt that Carpio Nicolle will attain first place in the 11 December elections, said a source of the Free Enterprise Chamber, which sponsored the poll.

Meanwhile, international political analysts of the main U.S. and European media assigned to this capital have said that the stability shown by Carpio Nicolle in maintaining first place during the entire campaign is surprising because the campaign has been filled with confusing events. This is a clear reference to the candidacy of General Efrain Rios Montt; the illness of ruling [Guatemalan Christian Democracy, DCG] party candidate Alfonso Cabrera; and the wave of political crimes, which began with the assassination of centrist deputy Otto Rolando Ruano.

Alberto de Aragon, president of the firm Aragon and Associates, which conducted polls during the campaign at the request of the Free Enterprise Chamber, gave the following results on the net vote; in other words, without null or blank votes:

Jorge Carpio Nicolle	UCN	29 %
Alvaro Arzu Irigoyen	PAN	22 %
Jorge Serrano Elias	MAS	21 %
Alfonso Cabrera	DCG	14 %
Other candidates		14 %

Carpio Nicolle said that the results of this poll are quite similar to the results of the polls undertaken by his party. UCN Assistant Secretary General Jorge Arenas said the UCN will go to the runoff election in an enviable position. As for the winner of second place, he said it is impossible to predict who that will be.

URNG Urges People Not To Vote in Elections

PA0911000290 Guatemala City EL GRAFICO in Spanish 8 Nov 90 p 72

[Communique: "These Elections Are Not the Solution," issued by the Guatemalan National Revolutionary Unity [URNG] General Command in Guatemala on 3 November; published as a paid advertisement]

[Text] In view of the 1990 general elections, the URNG states:

General elections will be held in the country on Sunday, 11 November, amid a climate of increased terror, generalized repression, instability, insecurity, violence, and intransigent campaigning.

The 1990 elections lay open the acute and deep political and power crisis.

I. The URNG General Command described the so-called democratization process, which the military designed after the 1982 coup d'etat, as part of a counterinsurgency maneuver aimed at politically isolating the armed insurgent movement, militarily hitting it to destroy our forces and guerrilla fronts, neutralizing the people's movement and its struggle, and creating international expectations about the democratization process.

After five years of a counterinsurgency strategy, under the cover of a civilian government, the high command has not attained its objectives.

We are looking at a civilian government that is isolated, weak, repudiated, and discredited and a military high command whose military tactics and strategies have failed and immersed it in profound disagreements that have divided and weakened it.

In a society in which the civilian government and state are under military control, these elections and their results can neither be an expression of the people's free will nor a democratic means to solve the serious and pressing problems of the people in general.

II. Under such conditions, the individual who comes out the "winner" will be unable to lay the groundwork to resolve the crisis in accordance with the country's interests and to change the situation to benefit the people.

The economic, political, and social crisis—which includes a lack of credibility and trust on the part of citizens—will not be solved through these elections or their results.

To solve the crisis, there must be an in-depth attack on its causes and not on its momentary external expressions. There must be a commitment to struggle for real, functional, and participatory democracy. There must be an attainment of a just, strong, and lasting peace and reconciliation among Guatemalans.

III. Under the country's current circumstances, the URNG General Command questions the 11 November elections based on the following: It is not through this electoral process that the people will ensure that they will become direct participants in solving the crisis; these elections are not a guarantee of the free expression of the people's will.

For the elections to be fully valid and credible and for their results to be the expression of the people's free will, the country's institutional and constitutional situation must be changed, starting with the end of military control over the state, government, and society. Only in this way can there be free and democratic elections.

The real alternative is a national consensus which, above and independent of this electoral process, will lay the foundations for the real democratization of Guatemalan society, state, institutions, and structures; for a firm and lasting peace with social justice; for the country's independent economic development; for the people's general well-being; and for national reconciliation.

IV. The URNG General Command asks the Guatemalan citizens, men and women of the urban and rural areas, not to go to the polls.

Under the current conditions, the call for annulling votes is a way to endorse this electoral process, increase passions, and encourage repression and terror.

Not to vote is one of the ways to exercise the legitimate right of citizens to express their opposition to an unjust social system, its structures, and institutions.

Our call and instruction is: Do not go to the polls; Do not vote!

URNG General Command

Commander Rolando Moran, Commander Pablo Monstanto, Commander Gaspar Ilom, Carlos Gonzales

Guatemala, 3 November 1990.

* Inflation Rate Tops 50 Percent

91CA0011A Guatemala City SIGLO VEINTIUNO in Spanish 11 Sep 90 p 13

[Text] According to the data available at the National Statistics Institute (INE), the cost of living in Guatemala increased 50 percent during the period from January to August 1990, as its manager, Neftali Hernandez announced.

He noted that this figure is unprecedented in Guatemalan history, because our society has had no experience of this kind. He remarked: "Even if we review the data available at INE, which has been in existence since 1965, we won't find a period with such an inflation rate."

The manager added: "It's possible that the trend for September will be one with a significant increase, considering the rise in fuel prices. Nevertheless, there is no available evidence enabling us to predict the percentage by which the cost of living could increase."

The subject of the interview explained: "Consumer price hikes were observed mainly in the category of food and beverages, as well as medicines. These are two of the nine categories devised by the INE technicians to evaluate prices."

The inflation recorded during 1989 was 20.17 percent: in other words, the difference between that period and the current one is 29.84 percent. By the end of June of this year the 1989 inflation had already been exceeded.

May 1990 was the month showing a major rise in inflation. The INE data for that period show a cumulative consumer price index of 18.80. During the same period of the previous year the index was 5.22 percent.

The jump in the cost of living between April and May represented an increase of 6.73 percent per month in the cumulative consumer price index. This has been the largest to date. According to the INE data, the other months showing a considerable rise in prices were: April, June, and July, when it exceeded four percent. On the other hand, August showed the least increase, with 1.18 percent.

The official explained to SIGLO VEINTIUNO that this agency's statistics are based on samples that INE's technical personnel are constantly taking. He added: "For now, we can only operate in Guatemala City, because we lack funds for sending personnel to other parts of the country."

* Ombudsman Denounces Police Brutality

91CA0011D Guatemala City SIGLO VEINTIUNO in Spanish 29 Sep 90 p 6

[Text] Yesterday the Human Rights Prosecutor's Office submitted a resolution to National Police general director Colonel Julio Caballeros in which it declared that there had been "police brutality" in the case of the capture of a person that occurred in San Benito, Peten, during September of last year.

Assistant prosecutor Fernando Hurtado Prem invited National Police director Colonel Julio Caballeros to his office and submitted to him the resolution in which the name of the individual concerned, Carlos Augusto Pot Williams, appears, as well as those of the three police agents involved.

The policemen's names were not revealed, so as not to interfere with the investigation, because they are still waiting to capture them. Nevertheless, Caballeros categorically stated that they would be captured and remanded for trial, based on the resolution from the Prosecutor's Office.

As Hurtado Prem noted, the Prosecutor's Office described this incident as "police brutality" because after Pot Williams had been captured and beaten by two agents, he was taken to the San Benito substation, where he was again attacked by the person in charge of that substation.

As a result of the severe beating, Pot Willimas had to undergo surgery at the San Benito hospital, because his large intestine had been torn.

Elsewhere in his statements, Hurtado Prem observed that, to date, 142 charges of human rights violations on the part of the National Police had been received in that office.

Furthermore, Colonel Caballeros promised to provide full cooperation to enable the investigators from the Prosecutor's Office to do their work without further setbacks.

Caballeros arrived at the meeting accompanied by his closest collaborators, requesting them to cooperate fully with the Prosecutor's Office.

*** National Elections: Candidates Attacked**

91CA0011B Guatemala City PRENSA LIBRE in Spanish 3 Oct 90 p 4

[Excerpt] Four presidential candidates and one hopeful for the vice presidency of the republic have submitted charges to the Ministry of Interior claiming to have received death threats, while others emphasize that they have been subjected to attacks.

Colonel Luis Ernesto Sosa Avila, presidential candidate of the MLN [National Liberation Movement]-FAN [National Advancement Front] coalition, informed the press that unknown individuals provoked a hail of rocks thrown at his group last weekend, while it was traveling to Huehuetenango, causing several of his companions to be hit.

General Jose Efrain Rios Montt, the No-Sale Platform organization's presidential candidate, for his part, claimed that an Asian commando group had been contracted to assassinate him. The centrist leader, Jorge Carpio Nicolle, also told reporters that self-interested groups had been plotting his death because he is the favorite to win the elections.

General Manuel Benedicto Lucas Garcia, presidential candidate of the Emerging Movement of Harmony (MEC), told this newspaper yesterday that several groups of opposition parties are attacking his leading collaborators, to the point where a son of a PR [Revolutionary Party] candidate for deputy assassinated the brother-in-law of the secretary of the party backing him, Colonel Francisco Luis Gordillo Martinez. He noted that they had threatened him as well, but remarked that he has no fear of barking dogs, because they don't bite.

Unknown persons also threatened the Solidary Action Movement (MAS) vice presidential candidate, businessman Gustavo Espina, with death over the telephone. The candidate himself claimed that unidentified men attacked a business firm of his located in Zone 9 with gunshot.

The last to report threats made on the telephone was Rene de Leon Schlotter, who thinks that these are individuals interested in intimidating him, so as to interfere with his proselytizing campaign. [passage omitted]

*** Human Rights: 276 Dead, 145 Disappeared**

91CA0011C Guatemala City SIGLO VEINTIUNO in Spanish 6 Oct 90 p 7

[Text] Yesterday the assistant human rights prosecutor [PDH], Cesar Fernando Alvarez Guadamuz, disclosed to SIGLO VEINTIUNO that from 1 January to 3 October, that agency recorded 276 extra-judicial deaths and 145 cases of kidnappings and/or disappearances in the country, confirming that "there are flagrant violations in Guatemala...."

He added: "These cases prove that there is absolute impunity in our country, and the cold statistical numbers are even more disturbing because, supposedly, 'no one is to blame for these murders.' Meanwhile, it is also clear that there is a total lack of political will on the part of the government to preserve the people's human rights."

The assistant PDH remarked: "In view of this situation, it is also obvious and disturbing that we Guatemalans are returning to the sinister past of the 1980's, when we were living in a virtual state of terror."

Nevertheless, he stressed that, so long as this "lack of political will on the part of those governing" to embark on a search for solutions to the serious economic problems persists, "we shall continue to develop under absolutely negative circumstances."

Alvarez Guadamuz declared that poverty, neglect, and social decay are aspects that should be focused on and dealt with by: those who are governing and those governed and possessing economic resources, because otherwise the phenomenon of violence will continue with greater severity.

The deputy human rights commissioner of the Congress of the Republic provided concrete statistics on the evolution in the case of "extra-judicial executions," a term coined by the United Nations in international treaties.

This is the definition of deaths of human beings where the motive is to execute the victim. In the case of Guatemala, however, the informant emphasized: "We are tired of making appeals to the government, demanding guarantees for the inhabitants' travel, security, dignity, and integrity."

For example, he claimed that as of 28 June of this year, case records had been opened on 163 "extra-judicial executions." By 22 July, during an escalation of violence, the number rose to 243; in other words, 80 more in a 21-day period, an interval in which opposition deputy Otto Ruano was killed.

During the period from 23 July to 3 October, 33 violent deaths were recorded in the country, raising the total number since 1 January to 276 victims.

Regarding another aspect of human rights, assistant prosecutor Alvarez Guadamuz observed that, in the case of "forced disappearances" considered in many reports

as "kidnappings," the legislative commissioner's office involved in this area came up with the figure of 145 incidents from 1 January to 3 October of this year.

For example, from the first day of this year to 28 June, the PDH's Registry and Statistics Department was apprised of 103 charges of this type. The number reached 118 during the interval from 29 June to 26 July, and totaled 145 during the first three days of this month, with the disappearances of 34 persons.

Nevertheless, the official noted that it should be explained that 50 percent of the 145 cases have been solved by police authorities or investigators from the Prosecutor's Office. For example, there are cases of individuals missing from the common household for one reason or another (running away with a girlfriend or boyfriend).

Nicaragua

Sandinist Legislator on Possible Coup

PA0911035190 Managua Radio Sandino in Spanish 0000 GMT 8 Nov 90

[Text] Dr. Sergio Ramirez Mercado, chairman of the pro-Sandinist legislative wing, has reported that a coup d'etat against the government of Mrs. Violeta Barrios de Chamorro is in the works.

Ramirez made the aforementioned remarks during an impromptu news conference held after the session of the National Assembly was suspended for a lunch break. He added that, in their speeches, the UNO [National Opposition Union] legislators only tried to justify the actions of the demobilized rebels on the road to Rama.

Dr. Ramirez hinted at the possibility that leaders of Cosep [Higher Council of Private Enterprise] may be behind this plot.

[Begin Ramirez recording] The legislative wing of the Sandinist National Liberation Front [FSLN] wants to express its deepest concern that at the conclusion of this session of the National Assembly the elected representatives of the 5th Region have virtually declared their support for—and openly leading—illegal activities. These representatives are demanding the firing of public officials, beginning with Presidency Minister Antonio Lacayo and Government Minister Carlos Hurtado. This action has been described as a plot and rebellion against the current laws.

We are mainly concerned, however, that none of the UNO deputies or those who allegedly support the Chamorro Government—we know very well that within the UNO legislative wing there are some legislators who oppose and others who support the administration—have spoken out to defend Mrs. Chamorro and the government system, which some people are trying to destroy, according to the document read here by 5th Region Deputy Castilla.

This situation is very troublesome. Here, even some UNO deputies are proposing the use of illegal means to dismiss the country's highest authorities. The only thing they did not ask for was the dismissal of President Chamorro herself, which I think they did not do simply because of political maneuvering; however, this is what they really want.

They want to stage a coup d'etat against the constitutional government. Therefore, I have asked FSLN deputies not to insist on speaking at the Legislative Assembly because a strange situation was taking place—the opposition legislators were defending the government system, and the supposed pro-government legislators were acting against stability and the government establishment.

Humberto Ortega on Army Personnel Reduction

PA0911030490 Managua Domestic Service in Spanish 1800 GMT 8 Nov 90

[Statement by General Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army, before a news conference at the Central Headquarters of the Public Relations Directorate of the Sandinist People's Army (EPS) in Managua—live]

[Text] This morning, at the Olaf Palme Convention Center, the Army General Staff met with about 2,000 Army officers to discuss the process of restructuring and reducing the size of the EPS. This process has been in effect for a number of years and has now been accelerated, especially amid the new situation of peace in the country. The process that the EPS is going through is to strengthen it and improve it institutionally and professionally so as to facilitate a leap in quality in terms of modern military sciences and arts during a time of peace. Here the emphasis is on quality, not quantity. During the previous situation—when the country was subjected to the war of aggression that we all suffered and remember—the Army's size was important.

This process to reduce the size of the Army is taking place at a time when the country is still experiencing a tense situation caused by intensified polarization that extremist politicized segments of our society and a minority segment of Nicaraguan society have insisted on maintaining before and after the elections.

We must point out, however—and in this regard we urge the Nicaraguan people, especially the country's social groups, not to be confused and unnecessarily alarmed—that despite the increased virulence of some extremist groups, the process that we have been promoting over the past few months to bring about stability is indeed progressing.

It is vital that all Nicaraguans who abide by the law and the Constitution and who have the common interest of ensuring that the war never returns and that violence and the sorrow that accompanies it never returns make the effort to consolidate and strengthen the significant

progress that we have achieved over the past few weeks. Nicaraguans should do this for the sake of absolute peace and its consolidation and for the sake of the basic peace that this country urgently needs.

This is especially true regarding the national dialogue in which the country's most representative groups—and this encourages us as an armed institution, because it brings about order—agreed on very important issues that we must now consolidate and strengthen. Only an extremist minority tried to boycott this effort, and it is now trying to frustrate the effort and prevent it from achieving greater and absolute progress.

The national dialogue has been a very important step because some pessimists and enemies of the democratic and progressive process that is taking place in Nicaragua and those who distrust national reconciliation and national unity had predicted that in November there would be urban clashes, strikes, roadblocks, and so on, as was the case in the past; however, the contrary has been the case. We held a national dialogue involving the participation of all organized workers and other sectors, such as the government and the employers, except for a certain minority of the country's private production sector represented by certain Cosep [Higher Council of Private Enterprise) spokesmen.

We worry about their attitude because we cannot tolerate the attempts of extremist groups to promote chaos and contempt for the law and the Constitution, the government, and the country's authorities. These groups are making political demands in Chontales that are completely unrelated to the most pressing needs of rural workers for land. These are poor peasants who have laid down their arms and others who have historically demanded land and want a solution to their problems.

This is a very dangerous situation that cannot continue. The government and the forces of law and order—that is, the Government Ministry and the Army—have been following up on this situation and supporting the efforts of the Government Ministry to ensure that these people reconsider their attitudes and change their positions of contempt for the law and the attempt at staging a virtual coup in Chontales during the past few days.

We hope that this situation will be overcome and that order will prevail to ensure that the efforts of the national dialogue and the National Agrarian Commission, among others, will finally prevail to allow us to seek the absolute peace that our country needs.

Despite this highly tense situation that some extremist and reactionary elements want to inflame to plunge Nicaragua back into war, the Army has kept the commitment it made public of making substantial progress in this restructuring and reduction in the size of our ranks.

By mid-year, in July, the EPS had reduced its size from more than 90,000 men on active duty in January of this year to 40,000. As part of our intense current effort to improve the Army and further professionalize it, and in keeping with the peace that we have been securing and the absolute peace that we must secure for the future, we have further reduced the size of the EPS until reaching the current figure of 33,000 permanent troops in the Army ranks.

We have been making these reduction efforts even though there is an ongoing regional negotiation—I participated in the first meeting in Costa Rica—among Central American armies to establish a reasonable balance of forces in the region regarding Army size, armaments, and so on.

Even though an agreement has not yet been reached and signed, we have displayed signs of maturity and clear signs of seriousness, especially toward our people, by indicating that we want a definite consolidation of absolute peace and that we are acting [eight-second break in reception] the Army's role in this country.

The nature of this first reduction phase that took place between January and today, 4 November [date as heard], has been mostly quantitative. It mostly affected mobilized segments of the Army, not officers; however, the second phase of our efforts to reduce the size of the Army and restructure it is directly linked to the need to retire officers.

As you might understand, this involves a more complex process. It must be carried out in a more careful manner to avoid affecting the institution and, much less, offending the dignity of the officers who would be honorably discharged—who would be released for the sake of the institution and the country—because of the new peace that we are currently enjoying. They would be honorably discharged.

We have begun, with the meeting at the Olof Palme Convention Center and the news conference I am now holding, to publicly start the officers' reduction process. The Army will have—immediately or in a very short time—28,000 permanent members. In other words, today we are beginning the process to retire 5,000 officers to civilian life. This is only possible given the high morale and awareness of our Army officers—both those who remain in active service and those who will return to civilian life—because there still prevail outbreaks of rebellion, mutiny, and attempts by extremist counterrevolutionary members who wish to drown in a bloodbath the Nicaraguan people's efforts to consolidate peace within the framework of the Constitution, as well as the people's efforts to meet as brothers despite ideological and political differences, and efforts by progressive, revolutionary, and patriotic forces to unite and recover Nicaragua and save it from its difficult economic situation, which is part of the complex and difficult world that mankind is facing at this dramatic moment.

Therefore, the immediate implementation of the process to retire the officers denotes the strength of the corps and proves its seriousness and responsibility. We also demand that the rest of the society act with responsibility

and seriousness and close ranks against such provocations from extremists because this would only bring more sorrow and mourning to the country. Within the framework of the difficult situation that prevails in the country and the government faces concerning its economic and material capabilities—above all concerning foreign aid, which is becoming increasingly difficult for this country and for other small countries, including the Central American countries....[changes thought] Nevertheless, we achieved some basic benefits, following many studies and working meetings with different central government officials. The Army officers believe that these benefits are positive and will allow them to basically face the situation that awaits them when they return to civilian life.

These benefits are as follows:

First of all, we have noted the importance of officers who will retire to civilian life being allowed an acceptable period of time to adapt to civilian life. Let us bear in mind that our officers have skills in organization, planning, and discipline; that they have different academic levels; and, generally speaking, they all have an acceptable, even high, degree of education compared to the rest of Nicaraguan society. We hope that they will be given a heightened status by various groups around the country so that they are given certain jobs. Indeed, certain regions have already designated various jobs for officers who will be in what we call active retirement.

We have arranged indemnification for the 5,000 officers who will be in active retirement. They will be paid 12 months' salary to allow them minimum time to adequately relocate. The 12 months' salary will be given to virtually 100 percent of them, because 90 percent of the officers who will be retired are first and second lieutenants. This represents 90 percent, or 95 percent [corrects himself] no, 90 percent of the officers who will retire. They will receive 12 months' salary as compensation. Captains on up, meaning captains, majors, lieutenant colonels, and colonels who will go into retirement, will receive six months' salary. In other words, amid the prevailing problems, priority has been assigned to the lower-ranking comrade officers who would supposedly find it more difficult to adapt [to civilian life].

It is believed that higher-ranking comrades, who do not number that many among the 5,000 officers, will have fewer problems getting settled amid their new status. This is as far as the compensation goes. The majority will be paid 12 months' salary, and higher-ranking officers will receive six months' salary. Soldiers will be paid the equivalent of six months' salary the moment they are told of their impending discharges, and receive all of their documents and so forth. Later they will receive two separate allotments, scheduled in February and May, for a total of 12 months' salary. As for the higher-ranking officers, they will receive just one payment equivalent to six months' salary.

[Word indistinct] we have obtained urban lots of land for the 5,000 officers. It is understood that the officers' housing problems are not easily resolved. These officers—as well as most Nicaraguans—face serious housing difficulties. We know that there are great difficulties in resolving this problem, but we have taken an interest to ensure that the comrade officers who have gone into retirement receive a 300-square-yard parcel of land to use as they see fit. We have confidence that this country will completely stabilize, that our economy will recuperate, and that investments will come. All of these things will happen as long as there is peace and as long as we can contain the current attitudes of revenge and extremism. The land is forever. These lots will appreciate in value and undoubtably will be a foundation for the officers. Some of the officers will benefit even more because they live amid crowded conditions with relatives, like most people in Nicaragua. They can [word indistinct] make an effort—some support will also be given to them—and build a little house on the lot. The officers will receive the corresponding land titles; the lots are to be given to the 5,000 offices. We must note that these 5,000 officers are mostly from urban sectors and only a minority come from rural areas or are looking for agricultural jobs. Most of them want jobs in urban areas. Thus, the lots are important to them. Almost half the 5,000 retired officers are in Managua; this means that a substantial number of Army personnel live here in Managua. We learned from a poll conducted among the officers that land was important to them. The poll showed that one of the officers' expectations was to receive lots that would help them resolve some of their needs.

At the same time, we have obtained funds for training courses, especially in basic administration. We have arranged for these courses to be given at INCAE [Central American Institute of Business Administration]. These courses will allow officers—who already have a basic education in organization and leadership —to improve their training in basic business administration and be able to work at jobs in civilian life.

This program is being carried out in stages, and it will allow time to train the trainers. The most outstanding officers will be the trainers, and those who take the special courses, in turn, will train thousands of other officers. These courses will have a follow-up program through INCAE for up to a year. Higher-ranking officers also will be given other, more specialized training programs through INCAE. Those courses will be more complex. This program will begin in January or February. We are trying to determine exactly when these training programs will begin.

These training programs are also important for the officers who retire so that they can have a means of earning a living. Everyone in this country is trying to survive and trying to figure out how to make a living. The Army cannot provide them with everything. Some

of them have already figured out ways to complement their meager Armed Forces salaries. These courses will help them in their efforts.

We have also created a fund to grant loans for small enterprises. In other words, the officers who do best in the training program will qualify for the small enterprise loan program. We are trying to increase this fund and met yesterday with a visiting delegation from Germany. This mission has proposed a project that is not exclusive to the Army, but is also directed at solving other unemployment problems of the country. This mission will be here for 10 days. In addition to the efforts of the mission from Germany, we have made contact with other countries.

We believe that once these training programs have been completed, more funds will be available to grant loans for small enterprises to those officers who, once they have completed their basic training, have demonstrated greater discipline, interest, and capabilities. These will be self-perpetuating loans that will be channeled to help the country.

I definitely believe that in a country such as ours, the efforts of small enterprises will be most successful.

We also have obtained access to the agricultural enterprises of the country, and particularly to a not very complex system of production—cattle and coffee. Even though the majority of the officers who are retiring were not making any demands along this line, a significant number of officers were demanding jobs and access to these areas. We have obtained from the government a commitment of support for the officers who are retiring.

Also, through some of these enterprises, we could obtain access to other related sectors that would help to generate greater resources to help the retirees or to provide them with various possibilities for resolving other problems the Army has with other officers who will retire in the future. Meanwhile, there are greater possibilities for guarantees, such as social security and so forth, where we have none at present.

We are sure that in the future this will be a reality. Meanwhile, we have come up with some answers to help our comrades who are currently being retired from the Army so that those who will retire from the Army under normal circumstances in the future can count on some type of support when they leave.

In light of this, we have also decided to maintain for one year—all of 1991—health services for retiring officers and their families—that is, their wives and children. The Army is making this effort—a major effort—even though the overall budget for the Armed Forces, the one it will surely have for next year, is limited, very limited. We believe, however, that this is something that is very important for retired officers as they try to stabilize and adapt to their new lives. This was an important step, and we have gone ahead with it. The retired comrades will enjoy this benefit for one year.

There are other benefits for the officers who will retire here in the capital, who represent a majority. Their children study in grammar schools financed by the Armed Forces. These children will remain there until they finish grammar school. Therefore, they will continue to have the access to these schools they have had up to today.

This is why we have decided to organize. The officers who are being retired have decided to join an association that will assemble all retired officers. This association, which they themselves will manage, will maintain a mininimum organization and a permanent tie with all the officers, to help them and to enable them to help each other face the new situation. The name of this association of retired military officers is very important because they feel that, although they are retired, they are still active. As we all know, the officers remain on reserve status and must be ready under any circumstances to defend the sovereignty of the nation. They must be ready to report to the Armed Forces to support the defense plans and enforce the laws of the nation.

The immediate goal of the association, however, is to search for a means of constant communication, so that they can support each other during this new situation in which they are going to live. Likewise, when they are faced with problems and obstacles, they can adopt measures and find solutions within this framework.

This association is going to be linked, interconnected, by an umbilical cord through permanent communication with the Armed Forces—in this case, with the Army. This will be through a small, nonbureaucratic office that we have organized and that will be administered by Lieutenant Colonel Juan Lorenzo Santana, who is currently in charge of Region 7 on the Atlantic Coast. Santana has an historic combat record. He fought beside German Pomares against the Somozist dictatorship. He is a man who has a great deal of respect among the officer ranks. He comes from a humble background and is a very serious man, a member of the Army's Military Council and the Army's General Staff. I have appointed this high-ranking official to head this office so that, in the name of the High Command, he can maintain constant communication with the association. In this way, the Army can be aware of the association's problems and negotiate our position at the necessary levels regarding the diverse problems and situations that the retired officers may come up against.

Also, the retired officers will have several documents that state that they are retired military officers and other documents that list all the benefits to which they are entitled.

They will also have a certificate of recognition for the patriotic duties they have fulfilled within the institution's ranks. We thought about [words indistinct] to make a few exceptions for the retirees, or rather for those who ought to be retired.

In Nicaragua, the officers who remain, as well as those who are retired, have understood that it is their patriotic duty, a revolutionary duty, to remain or retire. Both are equally a duty and a necessity. Those who remain in the Army at this time will face a very difficult situation regarding the budget, which we have been discussing with the central government. Our budget constitutes the minimum that the Army needs to establish order and ensure the stability and tranquility that Nicaragua so deserves and to play the role that it should play.

This budget, undoubtedly, is not very generous regarding granting big economic and salary advantages (?to its officers), at least in the immediate or, I expect, the medium term because no one in the country can believe that things will be solved overnight. The Army has always had a difficult situation concerning salaries. Before, because we were at war and were a massive force, we could not have the salaries we wanted or the cadre and support policies. Now, because the country has dramatically entered a very difficult situation in which, given the current international situation, cooperation from countries which traditionally helped Nicaragua, such as the socialist bloc countries... [changes thought] These countries are withstanding—you are well aware—extremely difficult moments. The Soviet Union is virtually unable to continue giving the support that it gave to Nicaragua as a nation, not for political reasons or because there is a new government now, but simply because it cannot. In fact, it has practically said that its level of cooperation with the Armed Forces cannot continue, either here or in other countries that it supported, including Cuba, etc. I am talking about previous levels of cooperation, at least in Nicaragua's case.

Cooperation from the so-called socialist community is practically nil in all areas. It is very limited and it is not significant, not because they do not want to help, but because they cannot. European cooperation—as you can see—must also be sought, but Europe is involved in solving its own problems, and the United States has its domestic problems, and now it is faced with the Persian Gulf problem. In reality, the country's economic future and the cooperation it needs are at stake, and within this framework we cannot expect to see substantive changes in Nicaraguan society's standard of living, and of course we are not expecting changes within the Army. The comrades who remain in the Army, as well as the officers who are now retiring, have understood that this is a duty and a need, and I am sure that the comrades who are joining the active reserves will maintain a dignified attitude toward the Army in their social lives, and that they will improve our society with their organizational capabilities and contribute to the cohesiveness of the Nicaraguan people.

Nevertheless, during this process, which concerns who leaves and who remains, both sectors will find themselves in difficult situations; however, we have made a few exceptions of individuals who would find it more difficult to adapt to the situation immediately. It would be a little more complex for them. First are those who are currently on the regular staff or, in other words, are organic members of a military unit, and are crippled.

Any war cripple who is currently on active duty will not be retired. That is how we feel about the issue. Any female comrade officer who is a widow and the head of her household will not be retired at this time either. Those comrades who had two or more relatives who fell in action will not be called upon to retire. This includes those who fell in the struggle against the Somozist dictatorship, as well as those who fell in the patriotic and national struggle we waged against the Ronald Reagan administration. We will also be very careful in those cases in which the husband and wife are both officers and both have been called upon to retire. In those cases, only one of them will have to retire.

In general, these are the exceptions. We feel absolutely sure that this process will strengthen the Armed Forces, in which both the officers who stay, as well as those who retire from active duty will remain loyal to the most cherished interests of the nation within the framework of the Constitution.

We are sure that all the Nicaraguan people highly value this tremendous effort. Even though there is not yet a Central American agreement and despite the fact that there are still some irresponsible extremist groups who are beating war drums, we are taking action and taking a firm step. We have made that commitment to the Nicaraguan people.

I repeat, we hope that all of society will also act in accordance with this exemplary step we are taking so as not to have to resort once again to the mobilization of thousands of men in the event the situation again turns violent, which is what some would like to see.

Panama

Reaction to New Developments in Noriega Case

Report on Possible Release Cited

PA0811163590 Panama City Radio Mia in Spanish 1434 GMT 8 Nov 90

[Report by Luis Olmedo Russel]

[Text] Attention Panamanian people, the news you are about to hear will shake the country's foundations as it has done the world over. This information was just received and Circuito RPC Television will repeat it, but you heard it first on Radio Mia. This is Luis Olmedo Russel.

About five minutes ago, the director of CNN reported that when Manuel Antonio Noriega was booked in the U.S. jail, he signed a document called a waiver. A waiver or an authorization would allow his telephone conversations to be recorded, provided that the conversations were with private citizens and unconnected to his upcoming drug trafficking case. This document was

accepted by the prosecuting attorney, the U.S. State Department, and the Pentagon.

It turns out, however, that all of his telephone conversations with his defense attorneys were taped. Defense Attorney Frank Rubino was at CNN headquarters as copies of the tapes were played. Rubino identified his own voice. Rubino said: Yes, that is my voice. I am talking to Noriega about his defense.

The taping of the conversations is perfectly normal because Noriega did sign a waiver, but the conversations that could be taped were only supposed to be with private citizens, that is people unconnected to his trial, not with his defense lawyers.

The problem, according to CNN, is that a judge or any judge can now declare all proceedings against Manuel Antonio Noriega void. Noriega cannot be tried in the United States on any of the charges against him, and he will have to be set free because the U.S. Constitution's fifth amendment has been violated. The amendment says that no recordings of his conversations with his lawyers regarding his defense can be made. Imagine the problem!

The CNN director, who seldom appears on television, said that if the U.S. Government admits that these recordings were made by error, omission, or if they were intentional, the Bush administration would not look very good. The CNN director then said that this would indicate that the idea was not to capture Noriega, but to invade and force Panama to negotiate under U.S. conditions. This is what the current scandal in the United States, the scandal that has become worldwide, is about.

My own conclusion is that the CNN director tried to hint that the U.S. Government knew perfectly well what it was doing; the government knew that if it recorded the telephone conversations between Noriega and his lawyer and it leaked copies, the lawyers would use this to free Noriega. This is my opinion after listening to the CNN director. In 45 minutes CNN will repeat this information, which I received by cable. This will be on channels 21 and six. Noriega has said nothing so far. All you can hear in the report is Noriega's recorded conversation with his lawyer on how his defense was being prepared.

Endara To Request Extradition

PA0811201390 Panama City ACAN in Spanish 1837 GMT 8 Nov 90

[Text] Panama City, 8 Nov (ACAN-EFE)—President Guillermo Endara today said that if the trial of overthrown General Manuel Antonio Noriega in Miami (USA) for drug trafficking and "laundering" of money falls through, Panama will request his return and try him.

"We are going to request his return and we will try him," Endara said when commenting on reports Miami saying that Noriega's lawyers could request that all charges against him be dropped because of the alleged existence of recorded telephone conversations between the soldier and his defense attorneys.

"I do not know the details of the information, but we also have a right to try Noriega if the United States cannot do it," the president said when questioned by reporters.

If the trial in Miami falls through, "he will be tried here according to Panamanian law because Noriega committed many crimes in the Republic of Panama," Endara added.

Dozens of suits as well as civil and penal charges brought against the former "strong man" are being processed here in Panama. He is charged with crimes ranging from murder to the illegal appropriation of state property.

In response to a question asked by a reporter, Endara said that he does not believe that the news that Noriega will go free is intended as pressure by the United States on his government to sign the bilateral Mutual Legal Assistance Treaty, which is aimed at fighting drug trafficking, "laundering" of money, and other crimes.

"I doubt that very much," Endara said, adding that "the U.S. Government does not use such methods. I have a lot of faith and trust in President George Bush and his government."

According to the U.S. Cable News Network, "CNN," there are recordings of conversations between Noriega and his defense attorneys that could invalidate the trial being prepared in Miami.

Noriega's main lawyer, Peter [as received] Rubino, today said that he is "horrified at the possibility that the conversations between the Panamanian general and his defense team could have been recorded."

CNN added that if these recordings were made, it would represent a violation of the constitutional rights that protect Noriega, who is being held at the Metropolitan Correctional Center in Miami awaiting trial. The trial date has been set for 28 January.

Noriega was overthrown by the 20 December U.S. invasion of Panama, and he surrendered to the U.S. authorities on 4 January after living in the Apostolic Nunciature in Panama City for 10 days.

Foreign Minister, U.S. Envoy Comment

PA0911004990 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Nov 90

[Italicized passages are recorded]

[Text] Foreign Minister Julio Linares today expressed his concern over the possible release of General Manuel Antonio Noriega. His statements follow:

[Linares]*It is inconceivable that a trial not just against Noriega, but against any person for a crime as serious as*

drug trafficking—that has brought about the United States' dedicated and ongoing efforts to erradicate this crime—could end up nowhere for the reasons that are being talked about. This trial could go nowhere; it could go absolutely nowhere. That is unconceivable to me.

The possibility that Noriega might be released in the United States is based on his attorneys' arguments. They categorically point out that the existence of recordings, which include conversations with his legal team, distort a fair trial for their client. Should this happen, Foreign Minister Linares said that Panama would request Noriega's extradiction:

[Linares] *The correct action in light of this situation would be for the Attorney General's Office, which should have a sufficiently advanced trial process against Gen. Noriega, to ask the foreign minister to immediately request Noriega's extradiction. If Noriega were released in the United States for any reason, there would already be a process to extradite him to Panama.*

[Reporter] *Ambassador Hinton, it was said today that Noriega had spoken with [former Democratic Revolutionary Party legislator] Lucho Gomez over the telephone from the United States. Is this permissible within the framework of U.S. law?*

[U.S. Ambassador Deane Hinton] *Look, I cannot comment on things pertaining to the juridical system.*

[Reporter] *Is that permitted by the Constitution, however, ?*

[Hinton] *My understanding is that Noriega gave his permission. I cannot comment on this issue, however, because it is the judges' purview.*

Attorney General Describes Conditions for Coup

PA0911035390 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Nov 90 p 1

[Report by James Aparicio]

[Text] Attorney General Rogelio Cruz yesterday revealed the existence of "foreign participation" in the plot against President Guillermo Endara and warned that "the same conditions and circumstances" that allowed the 11 October 1968 military coup "are present."

Cruz warned: "Prior to 1968, it was said that a coup d'etat was impossible because the Americans were in Panama," yet the military coup occurred and the resulting government "lasted 21 years."

Cruz coincided with religious groups and warned that the causes for militarism "still prevail" because Panama currently faces militarism "that is trying to become a political decisionmaking factor," which it no longer is.

Attorney General Cruz said that there is a lot of social dissatisfaction, a certain lack of responsibility in exercising freedom of expression, and "certain civilians are interested in seeing the military become a political decision-making factor."

Asked about the conspiracy that Colonel Eduardo Herrera reportedly led, Cruz revealed that civilian "figures" and "people who fought against (General) Noriega" are involved.

"The causes for militarism still prevail, and the same conditions and circumstances that preceded 11 October 1968 are present today" emphasized Cruz, who explained that democratic institutions are being systematically attacked "to discredit them."

Cruz revealed that the investigation to prepare a summary of Herrera's alleged involvement in the coup plot will be completed in four months.

Argentina

Announcements Made of Uprising Against President

PY0811151090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1450 GMT 8 Nov 90

[Quotation marks as received]

[Text] Buenos Aires, 8 Nov (NA)—Several members of the media have received telephone calls during which a recording was played announcing a military uprising against President Carlos Menem.

This psychological maneuver was carried out yesterday, taking advantage of the fact that Buenos Aires newspapers were not published following an official resolution to mark the day of the newspaper boy.

According to a report published today by the EL DIARIO POPULAR newspaper, the proclamation claimed the "right to rebellion," demanded Menem's resignation, announced operations "until a military junta is installed," and demanded the installation of Colonel Mohamed Ali Seineldin as the commander of the air, sea, and land forces."

The recording also said that the 2d, 3rd, and 4th Army Corps have rebelled along with the Navy Infantry. A military march was heard in the background, and an appeal was made to the people to remain calm.

Romero Comments on Program Ridiculing Military

PY0811203890 Buenos Aires Domestic Service in Spanish 1500 GMT 8 Nov 90

[Text]. Defense Minister Humberto Romero said this morning that the government will guarantee and defend freedom of the press at all costs, but he pleaded with reporters to handle some issues more carefully. The minister made these comments after presiding over a ceremony marking the beginning of the Antarctic summer season, which began today with the departure of the icebreaker Admiral Irizar from Buenos Aires on a trip to the frozen continent.

Romero's remarks were in reference to the Army's repudiation and rejection of the "Nothing is Worst" program, which depicted an Argentine platoon called Kuwait. A military communique said this program ridiculed the mission and values of the Armed Forces. The communique from the Army General Staff expresses its deepest repudiation of this demonstration, which attacks the national reconciliation and ignores the need to create a climate of harmony to aid the development of the present process.

In the sketch in question Jorge Izinisbur and Horacio Fondova play two Argentine officers who are sent to Kuwait and who repeatedly and for no real reason surrender by raising a white flag. The officers also do not have their war equipment; instead, they carry tear gas rifles, rubber bullets, and other gear used to repress demonstrations.

New Resignations in PCA Leadership Reported

PY0911022290 Buenos Aires DYN in Spanish 1128 GMT 8 Nov 90

[Text] Buenos Aires, 8 Nov (DYN)—Eduardo Sigal, Ernesto Salgado, and 12 other members of the Argentine Communist Party [PCA] National Secretariat and Central Committee have canceled their memberships in the 70-year-old party, but they are not planning to withdraw from the United Left coalition.

The resignations of these two leaders, who are part of the so-called "third" [Tercerista] trend, were virtual realities since the very beginning of the internal party disputes, but their departure widens the schism within the PCA.

Ernesto Salgado, a member of the PCA National Secretariat, and Eduardo Sigal, who served as PCA spokesman until two months ago, canceled their membership cards during a meeting on 6 November with the party leadership. Other members of the PCA Central Committee, including Miguel Ballato and Jorge Guerra, have followed their example.

They are scheduled to hold a news conference today at 1500 at a hotel at 1535 Corrientes Avenue to explain the reasons for their withdrawal from the PCA and their decision to remain in the United Left coalition.

Completion of Heavy Water Plant Planned for 1992

PY0911011090 Buenos Aires TELAM in Spanish 1536 GMT 8 Nov 90

[Text] Neuquen, 8 Nov (TELAM)—Angel Marzorati, manager of the Heavy Water Industrial Plant [Planta Industrial de Agua Pesada] (PIAP) in Arroyito, has reported that the construction of the plant will conclude by mid-1992.

Marzorati met with Governor Pedro Salvatori to discuss the creation of the Neuquen Engineering Service Enterprise [Empresa Neuquina de Servicios de Ingenieria] (ENSI), which will be responsible for operating the plant.

Marzorati stated that, according to the construction schedule, the objective is to finish construction by mid-1992. If that is achieved, he said, the operation of the PIAP "must start right away."

Salvatori and Marzorati discussed the function of the ENSI, contracting personnel, and training in plant operations.

* Menem's Economic, Political Problems Analyzed

91SM0036C Buenos Aires LA PRENSA in Spanish 16 Sep 90 p 9

[Report by Sergio Crivelli]

[Text] With inflation exceeding 15 percent a month, the administration has seen its battlefronts multiplying by the day. Moreover, its problems have ceased to be strictly economic. The political disintegration of the ruling party itself is a fact that can no longer be ignored, and to a large extent the transfer of Eduardo Bauza to the Secretariat General of the Presidency is an indication of this. Bauza is among Menem's most trusted colleagues, belonging as he does to the group of the "sky blues" [more moderate supporters of Menem] who today back Minister Erman Gonzalez. The president seems to have concluded that the economy minister will be needing every reinforcement he can get for the battle within the administration in the turbulent months to come.

Menem believes that whatever happens from now to year end will be decisive in determining his administration's course. He tried to turn off the main engine of inflation, government spending, through the omnibus decree that he issued ten days ago, but the impact of the cuts he ordered will not be felt for 90 or 120 days. Hence, the Ministry of Economy has designed a short-term strategy consisting of "index" of rates, wages, and the dollar exchange rate. Stability, a key word in the mouths of the men in the sky-blue sector, depends on how firmly this index is observed.

However, the combination of eroding wages and an exchange-rate lag has produced a spontaneous political alliance against the index between organized labor and exporters, who have aimed their guns at Gonzalez. The appearance of the Convivencia group, backed by Menem supporters from the "bright red" faction [his supporters from the very beginning], illustrates the worries that the austerity plan has caused and the political pressures that are starting to build up. Carlos Menem took it upon himself to stem the assault, and the plan headed by Jorge Born and Luis Barrionuevo was watered down. We do not know, however, what attitude the chief of state may take in 90 days towards an alternative economic plan if accounts fail to balance for his fellow Cordoban and if inflation stubbornly refuses to drop below double digits.

Escalating inflation is not the only problem besetting the president, moreover. This worry was compounded in recent hours by other, no less distressing ones, such as:

- Unfavorable polls: The surveys done after the most recent austerity plan was announced show Carlos Menem's popularity plummeting. According to a poll published by this paper, the president's popularity fell 24 points in just 15 days, from a 61 to a 37 percent positive rating.
- Social crisis: Unemployment has hit all-time highs in Argentina. According to May data, there are 2.3 million people out of work or underemployed, and all indications are that unemployment has risen appreciably since then.
- Troubled privatizations: The traumatic work stoppage in FOETRA [Federation of Telephone Workers of the Argentine Republic] and the deficit that Maria Julia Alsogaray has accumulated in Entel [National Telecommunications Enterprise] are unquestionably tarnishing the transfer of the state-run telephone company to private hands. Moreover, the sale of Argentine Airlines to Iberia-Pescarmona will wind up falling through, in the opinion of Erman Gonzalez.

Slipups in Congress

If the administration saw its already difficult situation in the Executive Branch further complicated by internal strife and pressures from civil servants, businessmen "allies," labor leaders, political players, etc., it is facing no fewer problems in Congress, where the main opposition continues to consist of Peronist lawmakers themselves.

The ruling party has a de facto majority in the Senate and a theoretical majority in the lower house, but over the past seven days the administration has seen that:

a) The Senate has voted not to ratify the decree under which the Executive Branch authorized the use of bonds to pay 20 percent of the remuneration of wage earners. The upper house simply rejected a measure that would have meant paying the workers with vouchers again and that can now no longer be applied;

b) In the House of Deputies Peronists and Radicals drafted a communications-law report that openly challenges the administration's plans. The law represents the regulatory framework under which Telefonica Espanola and Bell Atlantic will have to operate.

Several months ago the administration had promised to submit its own communications bill but has not kept its word.

c) Also in the Chamber of Deputies, the Radical motion to impeach Minister Jose R. Dromi was passed by committee, with the obvious assent of Peronists. The minister therefore is supposed to appear before Congress to tell lawmakers about the decrees that enabled the privatizations of the airline and Entel to be set in motion. Although it seems unlikely that the minister will appear before Congress, it is also obvious that the objections to the decrees cast doubts on the legality of the procedures that the administration has used to revamp government and lend an element of legal insecurity to the entire process.

d) Dromi has suffered a setback in the joint committee that is monitoring the privatizations. It rejected the terms of the note that he had sent to Congress in connection with the secret tape-recording of his explosive remarks against Minister Erman Gonzalez and the Italian Government.

The scandal caused by the careless comments of the public works minister merits separate mention. Once his remarks were made known to the joint committee, the minister told his colleague Erman Gonzalez that they were a "hoax."

He also denied them in a letter to the Italian ambassador. In a letter to the president of the lower house, in contrast, "he neither reaffirmed nor rectified them." Later, in a press interview he wound up admitting to everything he had said. In spite of this, he filed a criminal suit through the attorney general and lower-house prosecutor for the leak of his supposedly "secret" report. His move was an undisguised attempt to put pressure on the newspaper that had published his remarks. It bears noting that the Senate has appointed a committee, chaired by Jose Antonio Romero Feris of Corrientes, to safeguard freedom of expression. One of this committee's first tasks will no doubt be to look into attempts by officials to muzzle the press in any way when it publishes information damaging to the government in power.

Peronist Sub-bloc

To the setbacks that administration plans and officials have suffered over the past seven days in Congress we must add another significant development: the emergence of a subbloc among Peronist Party representatives in the Chamber of Deputies. The group declared its independence and told Carlos Menem himself that it would not vote for his bills sight unseen. This new power group consists of no fewer than 25 legislators and constitutes clear-cut evidence of the divisive effect that the administration's free-market policies are having on Peronism.

The Menem administration has accomplished what neither the various military regimes since 1955 nor Alfonsin at the peak of his power were able to: to balkanize the structure of the Justicialist Party. The hard-core Menem supporters dream of replacing this structure with a new historic movement (the third one, the fourth one?) and are thinking about candidates from outside the party on the 1991 slates. But if the Gonzalez austerity plan fails, the dream will surely turn into an electoral nightmare next year.

Bolivia

Capobianco on Normal Relations With U.S.

PY0811234890 La Paz Television Boliviana Network in Spanish 0030 GMT 8 Nov 90

[Text] Interior Minister Guillermo Capobianco Rivera has reported to the president of the Republic on the national situation. During his meeting with President Jaime Paz Zamora, Minister Capobianco made a detailed report on the situation in the country.

[Begin recording] [Capobianco] There are situations of open conflict and potential conflicts that may occur at any moment in the next few days. Therefore, this was a routine report [as heard], but I am at your disposal to answer any questions you may have.

[Reporter] Mr. Minister, it is well known that the U.S. Government has decided not to wait for the president's decision to militarize to make the Armed Forces take part in the antidrug fight.

[Capobianco] I insist on repeating what I said yesterday: Our relations with the United States are completely normal. I would even say that they are cordial, very fluid, and effective. We have an objective and we are complying with it. This is the legal basis of the relations between the two countries. Our governments are performing their respective activities. [end recording]

Brazil

2 Bolivians, U.S. Citizen Reportedly Trafficking

PY0811164290 La Paz Radio Fides in Spanish 1100 GMT 9 Nov 90

[Text] Corumba, Brazil—Two Bolivian citizens, Bruno Zacarias Pena and Sandra Zacarias Suarez, were arrested on 7 November in Corumba, Brazil, near the Bolivian border town of Port Suarez, while transporting 84 gallons of acetone and 54 gallons of ether. These chemicals are used in the manufacture of cocaine.

According to a Corumba Police spokesman, the Bolivian citizens were carrying, among other documents, cards proving their militancy in two important Bolivian political parties: the Nationalist Democratic Action, ADN, and Movement of the Revolutionary Left, MIR.

According to the spokesman, Zacarias Pena and Zacarias Suarez have confessed that the drug was to be delivered to a U.S. citizen who was only identified as (Loirao) and who is allegedly responsible for the installation of cocaine laboratories in Quiserro in the municipality of Santa Cruz, but the report is wrong at this point because we are talking of Puerto Quijarro, German Bush Province, Santa Cruz Department. [sentence as heard]

The spokesman finally said that the products were purchased in a drug store in Corumba and that the store owner was arrested last March while transporting 35 gallons of acetone and 26 gallons of ether. This point has to be investigated, and the ADN and the MIR will probably issue an official communique because the two individuals were carrying ADN and MIR identification cards.

Chile

Government Will Not Push Army Promotions

PY0811191690 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 8 Nov 90

[Text] Minister Secretary General of Government Enrique Correa has denied that the executive branch has prepared a decree urging [decreto de insistencia] the enforcement of retirements and promotions within the Army. Correa released an official report today on this morning's Cabinet meeting at La Moneda Palace.

At the meeting, over which the president officiated, priority targets were set for 1991 for the economic,

social, and political sectors. Correa reported on the items on the agenda, and he was also consulted on the situation of political prisoners.

[Begin Correa recording] Actually, we are particularly concerned about yesterday's vote at the Senate Constitution, Legislation, and Justice Committee. We believe that the result of this vote is not consistent with a proposal to the government on a constitutional amendment project to reinstate the president's power to grant pardons, Congress' power to grant amnesties, and the judicial branch's power to grant paroled freedom. We agree with that type of amendment, but we do not consider this reform to be either a contradiction or alternative to the Cumplido laws [named after Justice Minister Francisco Cumplido]. Consequently, we hope that the situation will be resolved. We firmly intend to reach an accord on the subject, yet we are certain that we took the right course when we submitted the Cumplido laws. The government will insist on the need to approve them in the Senate. [end recording]

Correa denied that the government has prepared a decree urging the enforcement of promotions and retirements within the Army.

[Begin Correa recording] We did not consider the possibility that a decree—which we deem to be fully legal and in keeping with the Constitution—should be disregarded. [sentence as heard] [end recording]

Murdered Major Linked to Finance Scandal

PY0811231090 Santiago Radio Chilena Network in Spanish 1600 GMT 7 Nov 90

[Text] Bank documents and a letter linking murdered Army Major Manuel Antonio Flores Gallano, 37, with the illegal finance agency La Cutufa have been handed over to the 25th criminal court in Santiago. The officer was shot in his car in the company of a 21-year-old girl identified as Paola Gonzalez, with whom the major had been having a love affair for over a year.

Maj. Flores Gallano died yesterday before dawn after delicate surgery. According to investigators, he was linked to the illegal finance agency known as La Cutufa.

The letter handed to the judge is addressed to the Army commanders and requests reconsideration of an administrative measure having to do with his links with La Cutufa. In the letter the major says that his wife, Maria Cecilia Cartagena Piri, had deposited $2,000 in the illegal finance agency but was stolen blind through a bad check.

The major told his lover he was having problems, although he never told her what kind of problems, according to the girl's mother. In addition to the letter, other bank documents linked to La Cutufa were also found in the car. These documents are now being studied by the court.

The major was killed by common criminals, according to the police, although there are several factors that led investigators to doubt initial reports, including the weapons used by the criminals, remarks by the girl who was with the major, and, finally, the checks and documents linking him to the illegal finance agency.

Matthei Denies Report on Illegal Finance Agency

PY0911002090 Santiago Radio Chilena Network in Spanish 1600 GMT 7 Nov 90

[Text] General Fernando Matthei, Air Force commander in chief, has denied the existence of an illegal finance agency within the Air Force. According to media sources, the agency is reportedly called La Bicicleta.

There is no illegal finance agency, and one never existed within the Air Force, Gen. Matthei categorically stated. He added, however, that a year and a half ago a corporal and a civilian Air Force official contacted Air Force personnel, mostly NCO's, offering them good interest on their money. These NCO's were robbed.

Matthei said a civilian named Parada, who no longer belongs to the Air Force, was the one who organized the illegal finance agency. Matthei noted that Parada was discharged from the Air Force and that the corporal was charged with usury at the military court. Gen. Matthei said that the corporal was arrested but later escaped. His whereabouts are unknown.

He also declined to comment on the involvement of Army officers in the La Cutufa illegal finance agency. I do not like when other institutions make remarks about the Air Force, and I will be very careful not to make any statement about what is going on in an institution which I respect and love very much, Matthei said. He expressed hope, however, that the situation would be resolved soon.

Gen. Matthei made these remarks at La Moneda Palace after officially submitting to President Aylwin the proposal for promotions and retirements of Air Force officers in 1991. He said that there are five generals on the retirement list so far.

Accident on Border Caused by 'Human Error'

PY0911005090 Santiago Domestic Service in Spanish 1000 GMT 8 Nov 90

[Text] Defense Minister Patricio Rojas has said that the accident in Arica in which an antitank mine exploded was caused by human error. Luis Winter, national border and limits director, was injured in the accident and had to have both of his legs amputated.

Rojas made these remarks shortly before meeting with Foreign Minister Enrique Silva Cimma.

[Begin Rojas recording] Both the Army—at the request of the Defense Ministry—and the Foreign Ministry are conducting inquests into the accident that occurred in

northern Chile. I think the situation seems to be quite clear in that the accident was caused by human error. [end recording]

Rojas said the Army inquest will have to determine what happened. He noted, however, that it was an unfortunate accident caused by a person who failed to take a safe route. He added that many security measures are adopted in border areas but that these measures are known to each country through work carried out in mixed commissions. In this case, he said, these measures were known because Chileans and Peruvians were working together and this was just an unfortunate accident.

Rojas denied reports that some maps on the mined area on the Peruvian border had been lost. Seismic movements and other natural disasters could have changed the location of the explosive devices.

Terrorists Raid Radio Station Facilities

PY0811175690 Santiago EL MERCURIO in Spanish 29 Oct 90 p C 7

[Text] Temuco—Last night terrorists raided the Colun Huenu radio station facilities in Pueblo Nuevo and broadcast a subversive proclamation.

The attack was perpetrated by two individuals armed with revolvers, who broke into the radio station studios at 2140. They suspended the radio programs while they broadcast a proclamation demanding the release of political prisoners.

During the incident, which lasted 30 minutes, the criminals intimidated three employees of the radio station.

Before escaping they threatened to detonate a bomb if the employees called the police.

Personnel of the Carabinero Special Police Action discovered that the terrorists had left a fake explosive device.

Supreme Court Ruling Bans Entry of Toxic Waste

PY0911015490 Santiago EL MERCURIO in Spanish 27 Oct 90 p C 8

[From the "Regional News" column by Carlos Herrera Astorga]

[Text] Antofagasta—The National Committee for the Defense of Fauna and Flora, Codeff, has obtained a favorable ruling from the Supreme Court in a lawsuit against Pacific Chemicals Engineer (Chile) Ltd., a company that attempted to bring toxic waste into the country to recycle it in a nearby plant. Codeff attorney Alicia Vidal stated that the Supreme Court ruling has set a precedent and that, from now on, no one can bring in industrial, mining, domiciliary, or any other type of waste, whether dangerous or toxic. Thus, she said, one can file a legal petition even before a specific action which would affect the environment has been taken; the courts will uphold any petition based on the "threat" stemming from the announcement of a future action that would pose a risk or danger or would be detrimental to the people.

Foreign Investment Statistics for Jan-Oct Period

PY0911024290 Santiago Radio Cooperativa Network in Spanish 2200 GMT 8 Nov 90

[Summary] Fernan Ibanez, executive director of the Foreign Investments Committee, has reported that Chile received foreign investments amounting to $1.037 billion from January to October, which represents a record figure in Latin America. He also mentioned that Chile received foreign investments amounting to $897 million in 1989.

Paraguay

Group Addresses 'Open Letter' to President

PY0811153590 Asuncion HOY in Spanish 5 Nov 90 pp 22, 23

["Text" of "open letter" from CNLTV (expansion unknown) to President Andres Rodriguez]

[Text] Mr. President: During our last regular general assembly, on 22 and 23 October, which was attended by 50 departmental delegates from the various neighborhood committees and regional coordinating boards throughout the country that make up the CNLTV, it was unanimously decided to send you this open letter to express our concerns and inform you about the dramatic situation the peasantry is facing.

The current unjust and inequitable system of land distribution, in which 1.5 percent [of the population] owns more than 85 percent of our country's land, is causing impoverishment and misery for hundreds of thousands of landless peasants and for hundreds of thousands of peasants who live on miserable, tiny properties of one or two hectares where several families coexist.

This situation is causing an acute, dangerous social conflict as the peasants, who are starving and are desperate because they cannot provide food for their families, resort to the desperate measure of occupying unproductive land and large properties as well as obtaining land through illegal means, land that national and foreign property owners own for speculation, thus depriving us, the legitimate owners, since we are the ones who actually work the land for bread and life.

We are concerned about the fact that your government does not have a land distribution program that includes the large unproductive properties, envisaging agrarian reform. Moreover, we do not see that the government you preside over has any agrarian reform program.

The only thing we see, Mr. President, is that, faced with the peasants' land claims, your response does not involve land or agrarian reform, but individual trials and violent repression.

Let us tell you, Mr. President, that the claims and occupations are a social problem. If 300 peasant families occupy a large property, and this situation repeats itself several times so that there are occupations in every town, every district, and every department, we believe this must attract the attention of Your Excellency and your government since it is not just a few people who are involved, but hundreds and thousands of desperate families, who, because they do not have anything to live on, occupy property.

Mr. President, we are concerned, however, about the fact that your government handles the land problem and the occupations as a police and judicial matter. We believe that the land problem and the occupations will not be solved with violence, imprisonment, evictions, the burning of huts, and arrests. The land problem is a social problem and, therefore, requires a response of a social nature.

There are more than 2,000 court cases involving land occupation and several dozen peasants in prison because they want to own a tract of land to farm and to support their family.

Violent evictions were recently reported in Amambay Department and Alto Parana Department, as well as in San Pedro. Heavily armed police violently raided peasant settlements and beat them up, hit them with the butts of their guns, tortured them, stole their few belongings, and finally, arrested them. We do not see, however, that your government is concerned about complying with the law when your security forces are involved; but, when poor families are involved, your government inexorably complies with the law.

In view of all this, we ask Your Excellency for the following:

To immediately cease the evictions and repressions; to dismantle the repressive apparatuses; to release all imprisoned peasants; to legalize all occupations; to suspend the sale of land to foreign and national speculators; to investigate and exemplarily punish those responsible for crimes against peasants; and to provide appropriate medical care to all evicted peasants.

Rodriguez Invited To Attend Mexico City Summit

PY0911020290 Asuncion ABC COLOR in Spanish 7 Nov 90 p 7

[Excerpt] Mexican President Carlos Salinas de Gortari yesterday sent a special invitation to President Andres Rodriguez to attend the presidential "summit" to be held in Mexico City in June 1991. This meeting will seek to expedite the Latin American integration process and coordinate proposals that should be made to the EEC, which will be unified in 1992.

The invitation was hand-carried by Mexican Ambassador Francisco Correa Villalobos, who was received yesterday morning at Government Palace by President Rodriguez. [passage omitted]

Government Conditions Payment of Debt to Japan

PY0911012690 Asuncion ABC COLOR in Spanish 8 Nov 90 p 10

[Excerpt] President Andres Rodriguez has said that the government will immediately pay its arrears of $2.6 million to Japan if Japanese authorities guarantee the disbursement of two already approved loans totaling $150 million. Rodriguez, who will travel to Japan today, said yesterday that he will discuss this issue during his visit.

Paraguay has negotiated an $80-million loan for the construction of the Cuero Fresco-Concepcion and Puerto Military-Pozo Colorado roads and a $70-million loan for the agriculture sector. Both loans, however, have not yet been disbursed in view of pending obligations with Japan totaling $2.6 million. [passage omitted]

Government Names New Finance Under Secretaries

PY0711174090 Asuncion ABC COLOR in Spanish 7 Nov 90 p 11

[Summary] The executive branch has appointed new finance under secretaries. Juan Jose Diaz Perez will head the Finance Studies Undersecretariat, Angel Urbieta Ramirez the Tax Collection Undersecretariat, and Luis Adolfo Ortiz the Finance Administration Undersecretariat.

Peru

President Fujimori Denies Military Tension

PY0811142090 Madrid EFE in Spanish 2055 GMT 7 Nov 90

[Text] Lima, 7 Nov (EFE)—President Alberto Fujimori today said that he is receiving great support from the Armed Forces but denied that the Army is the main support of his government. He also denied that the changes in the Navy leadership had increased tensions within that force.

Fujimori told foreign journalists that the simultaneous retirement of eight Navy admirals is "an institutional measure, and there is nothing personal in it," adding that changes will now be made in the Army, but he did not give any more details.

When Fujimori came to power on 28 July, he unexpectedly removed Admiral Alfonso Panizo and Lieutenant General German Vucetich, the commanders of the Navy and the Air Force, respectively, the latter having been accused by the media of committing economic crimes while in his post.

Panizo's removal surprised political circles and caused acts of indiscipline among 60 officers—of whom six were arrested—and warship mobilizations.

The Peruvian media reported that the Navy and some minority sectors who supported Mario Vargas Llosa, the defeated candidate of the rightist coalition Democratic Front (Fredemo), had tolerated Fujimori's triumph in the elections last June. [sentence as received]

Fujimori today confirmed to journalists that "a psychological coup attempt then took place, but without further consequences."

The president said that those who had forecast that his administration would not last 100 days must have felt "surprised or disappointed" when he passed that milestone last Monday.

Fujimori said he receives "great support from the Armed and Police Forces, a fact not often witnessed in Peru."

Fujimori attributes the charges made by the left that he is heading a "civic-military administration" to the fact that there currently is "a bit more order" in Peru.

"What do those critics want—more disorder, chaos, and social indiscipline, or a government that defends the law? We will firmly maintain our authority, seeking to reestablish the atmosphere of trust necessary for national development," Fujimori said, reiterating: "There is no militarization."

Fujimori said that he appointed an Army general as interior minister so that he can "fully reorganize" the National Police, from which nearly 200 men have been discharged. He said that the mission of Police Chief General Adolfo Alvarado Fournier is also "to bring order, discipline, and morality" to the institution in which some "cases of corruption and indiscipline" have been registered.

Regarding the economic measures imposed last August, the president pointed out the "understanding and stoicism of the Peruvian people who have to bear them," but he also stressed the efforts made by the security forces which, by their presence, have helped to prevent subversive actions.

Discusses 'Psychological Coups'

PY0811221890 Lima Television Peruana in Spanish 1100 GMT 8 Nov 90

[Excerpt] [Passage omitted] President Alberto Fujimori has announced that there will be readjustments rather than changes made in the economic plan. He said that, in the first stage, 20 small public companies that are already bankrupt or about to declare bankruptcy will soon be sold to the private sector. Regarding salary policy, the president said increases may be granted as long as they do not fuel inflation or affect government expenses. He said that the resources that are currently being collected are being channeled to the poorest sectors of society.

President Fujimori also said that during the first 100 days of his administration he has had to face other kinds of coup attempts, or psychological coups, which he said he is overcoming with the people's support. Fujimori also spoke about foreign debt payments.

[Begin recording] [Fujimori] We are opening our economy to rejoin the international financial community. This means that we must honor some minimum commitments. We are therefore paying, as everyone knows, about $12 million to the IMF, about $16 or $18 million to the IDB [Inter-American Development Bank], and about $12 million to the World Bank. We must honor our commitments.

[Reporter] When will the first credits arrive?

[Fujimori] The payments will be made this month, and we expect that the international organizations will begin making disbursements in the next few months.

[Reporter] When you won the election, few people predicted that your program would be successful. Some even said that it would totally fail, that you would not even complete 100 days in office, and that there would be a coup d'etat. What can you say about these criticisms?

[Fujimori] Well, there are other kinds of coups now. This morning I was told—but I say this with humor and respect—about coup attempts by the military and church; however, they are nothing more than attempts. There have only been psychological coups, which we are defeating because we have the support of the people.

[Reporter] Do you think the Armed Forces intended to carry out a coup against a government that was democratically elected by the people?

[Fujimori] Perhaps, perhaps. [passage omitted] [end recording]

Views Drug Trafficking, Pardons

PY0811225690 Madrid EFE in Spanish 1236 GMT 8 Nov 90

[Excerpts] Lima, 8 Nov (EFE)—Peruvian President Alberto Fujimori today confessed that politics enliven his life and that he accepts his role as a "Karate Kid" in changing a country filled with corruption, injustice, drugs, and guerrillas. Fujimori talked with about 50 foreign correspondents about drugs, terrorism, coup attempts, church problems, judicial and police corruption, and even his family life.

Fujimori, who burst onto the national scene in the last elections, said politics have enlivened his life. "Politics complement my private life. It has made it much more fun, and it gives me more life," he confessed.

He acknowledged that at the beginning of his administration there were coup attempts by discontented Navy officers who supported the candidacy of writer Mario Vargas Llosa. [passage omitted]

In the first gesture of acknowledgement by a Peruvian head of state, Fujimori attributed the war—which has been consuming the country for 10 years and has caused

20,000 deaths and more than $17 billion in direct property damage—to the fact that "all the governments" have ignored the Andean communities for centuries.

As for drugs, Fujimori admitted that cocaine generates $120 billion in Peru—the largest producer of coca leaves in the world—although his country "lives in misery."

Coca, he said, serves as a financial basis for the guerrilla groups that operate in the Huallaga River valley, and this "must stop." Fujimori is willing to eradicate coca, but he is worried about the future of the 1 million peasants involved in coca production, which is why he is demanding profitable alternatives from the United States.

Terrorism seems to be a more urgent national security problem than drug trafficking, which brings $2 billion per year into the depressed national economy, experts have said.

Fujimori justified his effort to pardon hundreds of prisoners who are still in prison despite having served their sentences on the grounds of defending human rights and with the purpose of "taking them away from the fangs of the jackals," meaning the corrupt judges who charge money to hear trial cases.

State Workers Begin Nationwide Strike

PY0811211890 Madrid EFE in English 1517 GMT 8 Nov 90

[Text] Lima, Nov 8 (EFE)—More than 40,000 Peruvian state workers Thursday [8 November] walked off the job, closing down the country's social security system and leaving hospitals with only emergency services as they began an indefinite nation-wide strike in demand of pay hikes.

The strike kicked off a planned campaign of stoppages this month, with the National Coalition of Public Business Unions, which includes workers in the electricity, water, oil, mineral, food, ports, iron and steel sectors due to walk out November 15.

Peru's state sector employs around 600,000 people, with labor leaders saying the majority of state workers earn less than the legal minimum wage of dlrs 57 per month.

Transport and communications workers have already begun strikes, while tax office employees are running a go-slow and blocking the collection of public levys.

The state sector has been severely hit by the drastic economic reform plan of President Alberto Fujimori, which plans to make savings by cutting back public spending.

On Wednesday joint Prime Minister and Economy Minister Juan Carlos Hurtado announced that from January differences in employees' wages within the extensive burocracy would be levelled out to a broadly similar figure.

The government has also said that as September and October's inflation rates have been under 10 percent, there would be no wage rises.

In response to this, both state and public employees last week announced a massive campaign of strikes.

Some 8,000 bank workers are already out, while oil workers and court officials are on a go-slow.

Further strikes are also planned by the private sector.

Although inflation fell to 9.6 percent for October, Peruvians have had to cope with the effects of the austerity measures introduced by the government which have caused the price of bread and milk to rocket by 300 percent, and petrol by 3,000 percent.

Of Peru's more than 20 million people, 55 percent live in poverty.

USSR Fishing Contract To Be Renegotiated

PY0911020890 Lima Television Peruana in Spanish 0100 GMT 8 Nov 90

[Text] Fisheries Minister Raul Sanchez Sotomayor has reported that the government will renegotiate the fishing contract with the USSR signed by the previous regime because some clauses are detrimental to the national interest. The minister added that a high-level commission has verified that there are legal errors in the contract protocol.

Venezuela

Students Demonstrate To Protest Bus Fare Hikes

PA0811215090 Hamburg DPA in Spanish 1751 GMT 8 Nov 90

[Text] Caracas, 8 Nov (DPA)—The Venezuelan city of Los Teques, capital of the State of Miranda, was paralyzed following two days of violent demonstrations to protest bus rate increases.

Four buses were burned by students protesting the decision of local bus owners to increase transport fees by 40 percent in this suburb 30 km west of Caracas.

After a march to the downtown part of the city, a worker was wounded by a bullet fired by "snipers," whose actions apparently ended the protest.

The police broke up the demonstration with the use of tear gas.

Around mid-year the government of President Carlos Andres Perez ordered an increase in the price of gasoline. Diverse transportation cooperatives have demanded a fee increase, which has given rise to protests in several cities.

Guyana

WPA To Contest Elections 'On Its Own'

FL0811183390 Bridgetown CANA in English 1722 GMT 8 Nov 90

[Report by Courtney Gibson]

[Text] Georgetown, Guyana, Nov 8, CANA—Guyana's opposition Working People's Alliance (WPA) says it plans to contest the forthcoming general election on its own.

"If the agreements for the reform of the electoral system so far reached or promised and announced are implemented, the WPA would consider the chances of a fair election better than at any time in the last 22 years and will contest the elections on its own," the party said in a statement late Wednesday.

The announcement came amidst widespread speculation that the WPA was likely to team up with the anti-government pressure group, Guyanese Action for Reform and Democracy (GUARD), and possibly the opposition United Republican Party (URP), to challenge the ruling People's National Congress (PNC) and the main opposition People's Progressive Party (PPP) at the polls.

The announcement considerably dwindled prospects of a united opposition taking on President Desmond Hoyte's PNC which has been in office since 1964 and which the opposition parties allege has been able to remain in office by rigging four successive elections since 1968.

The WPA says its decision to go to the polls on its own was taken on November 1 at a meeting of its committee of conference (central committee). Since then, the WPA has received a proposal dated November 2 from another political party offering the WPA a "strategic" ministry on the election list headed by that party. The WPA did not name the other party but said "coming when it did, this proposal cannot rank high in the WPA's priorities."

The WPA said no other proposal was before it at the moment. It is however "pledged to maintain unity with the Patriotic Coalition for Democracy (PCD) and other democratic forces for the purpose of ensuring the due implementation of the outstanding reforms and the proper administration of the various electoral processes."

The WPA also said it "remains committed to the establishing, after the elections, of a government of national unity based on the votes of the people." The WPA said the date for the release of its manifesto would be linked to the election date.

Commission Formed To Oversee Voter Registration

FL0811130290 Bonaire Trans World Radio in English 1130 GMT 8 Nov 90

[Text] The ruling and opposition parties have agreed together to set up a joint commission to oversee the voter registration. The commission will be made up of three members of the ruling People's National Congress and three members from opposition People's Progressive Party. The decision to set up the commission followed the meeting on Monday between opposition leader Cheddi Jagan and President Desmond Hoyte.